UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

MAY 19 2010

Jamie Thompson, Esq.
Lathrop & Gage
2345 Grand Boulevard
Kansas City, Missouri 64108

Re: Radiation-Standard Products Superfund Site

Dear Mr. Thompson:

This letter is in response to your requests of May 14, 2010, regarding the abovementioned Superfund Site. Enclosed are the corporate documents used to create the corporate chart indicating Raytheon Company's liability pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). The chart and accompanying documents indicate a clear line of liability in a series of mergers and name changes to Raytheon Company. Whereas in NCR's case, EPA's information is that NCR acquired ECI as a stock purchase and then created a subsidiary. Applying *U.S. vs. Best Foods,* we have no evidence that NCR, as the parent corporation, managed, directed, or controlled ECI's operations having to do with the leakage or disposal of hazardous waste at 650 East Gilbert, Wichita, Kansas.

Also, enclosed is EPA's Removal Site Evaluation Trip Report without attachments except for soils sample results for the above site.

I hope these documents answer your questions. Please call me with any further questions at 913-551-7559.

Sincerely,

Denise L. Roberts
Senior Assistant Regional Counsel

Enclosure

cc: Randy Schademann, OSC

REMOVAL SITE EVALUATION TRIP REPORT
REVISION 01

RADIATION – STANDARD PRODUCTS, INC. (FORMER)
WICHITA, KANSAS

CERCLIS ID KSN000705966

Superfund Technical Assessment and Response Team (START) 3

Contract No. EP-S7-06-01, Task Order No. 0131

Prepared For:

U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101

August 17, 2009

Prepared By:

Tetra Tech EM, Inc.
415 Oak Street
Kansas City, Missouri 64106
(816) 412-1741

INTRODUCTION

Tetra Tech EM Inc. (Tetra Tech) was tasked by the U.S. Environmental Protection Agency (EPA) Region 7 to conduct a removal site evaluation (RSE) at the former Standard Products, Inc., site (Standard Products) in Wichita, Kansas. The assessment was conducted under the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 and the Superfund Amendments and Reauthorization Act (SARA) of 1986. The project was assigned under Superfund Technical Assessment and Response Team (START) Contract No. EP-S7-06-01, Task Order No. 0131. The former Standard Products facility was the location of an aircraft instrument repair shop in the 1950s and 1960s (Kansas Department of Health and Environment [KDHE] 2006). An investigation at the site by KDHE, reported in March 2006, identified radium-226 impacted soil on the site (KDHE 2006).

The primary objective of the RSE was to determine the extent of radium-226 contamination (and other associated radionuclides) in surface and subsurface soils and within interior buildings at the Standard Products site. To accomplish this objective, START conducted on-site and off-site real-time monitoring of surface and subsurface soils, and collected soil samples for laboratory analysis. EPA conducted interior gamma surveys of on-site buildings. In addition, electret ion chamber radon detectors were deployed to measure airborne levels of radon. This trip report details the sampling activities and results, and any deviations from the approved quality assurance project plan (QAPP).

AREA LOCATION/DESCRIPTION

The Standard Products site is located in Wichita, Kansas, in the southeast quarter of Section 36, Township 25 South, Range 1 West (see Appendix A, Figure 1). The site includes several parcels, including 650 East Gilbert Street, the location of the former Standard Products facility, and adjoining parcels where radiologically impacted soil has been identified, including a private residence at 920 S. St. Francis Street and the Guadalupe Clinic at 940 S. St. Francis Street (see Appendix A, Figure 2). The approximate center of the 650 East Gilbert Street parcel is at the following coordinates: 37.674880 degrees north latitude and 97.330500 degrees west longitude. The 650 E. Gilbert Street parcel occupies approximately 2.67 acres and is the location of a single 11,000-square-foot warehouse currently occupied by Phillips Southern Electric. The 920 S. St. Francis Street parcel is a private residence with a single-story house, a carport, several small detached sheds, and lawn and landscaped areas. The private residence occupies approximately 0.125 acre. The 940 S. St. Francis Street parcel is a single-story brick building occupied by the Guadalupe Clinic, a community healthcare clinic.

PREVIOUS INVESTIGATIONS

KDHE performed a Unified Focus Assessment (UFA) at the Standard Products site in 2006. An initial screening survey of the property by KDHE identified several areas with total gamma radiation readings above background. The maximum screening result in this area was 17,000 microRoentgens per hour (μR/hr). Laboratory results indicated a maximum radium-226 detection of 81,800 picoCuries per gram (pCi/g) (KDHE 2006).

SAMPLING ACTIVITIES

Field work for the RSE was conducted during the week of March 23, 2009. Tetra Tech START team members included Rob Monnig, project manager, and Colin Willits. Randy Schademann, Don Lininger, Megan Brunkhorst, and James Johnson, EPA Region 7 On-Scene Coordinators, were also on site. Additional visits were made on April 14 and 21, 2009 and May 5, 2009 to conduct additional radon monitoring and soil sampling. Field activities proceeded in accordance with the approved QAPP, except as noted in this report. All sampling related activities were recorded in a logbook (see Appendix C). Photographs were also taken to document site activities (see Appendix D).

Surface Soil Gamma Survey

EPA and START conducted a survey of gross gamma activity over exterior land areas of the site. The survey data was generated using a Ludlum Model 2221 ratemeter with a Ludlum Model 44-20 sodium iodide (NaI) scintillation detector coupled with a Trimble Global Positioning System (GPS) unit and a notebook computer running Rapid Assessment Tool Software (RATS). RATS is a software program developed by the EPA Region 5 Field Environmental Decision Support (FIELDS) Team that integrates real-time data from GPS and environmental monitoring devices. RATS stores the sample data with its GPS location in a file and plots the results in a dynamic, two-dimensional display in real time. To conduct the survey, the surveyor walked in a forward direction at 1 to 2 feet per second while swinging the detector back and forth, and holding the detector approximately 6 inches above the ground, thus generally covering a serpentine pattern over the ground surface. The survey detected multiple areas of elevated gamma readings. Figure 3 in Appendix A presents the survey results.

Subsurface Soil Gamma Survey and Sampling

Multiple soil borings were advanced at the site to assess the vertical extent of radionuclide contamination. The locations of the soil borings are identified on Figure 4 in Appendix A. The soil borings were advanced up to depths of 8 feet below ground surface (bgs) using a track-mounted GeoProbe® equipped

with a Macrocore® sampler. Continuous soil cores were collected into Macrocore sleeves as the borings were advanced. In-situ subsurface gamma activity was logged at 1-foot intervals within the boreholes using a Ludlum Model 44-62 0.5-inch (") diameter by 1" thick NaI scintillation detector connected to a Ludlum Model 2241-3 ratemeter. Soil samples were collected from selected soil borings for laboratory analysis for radionuclides. Samples were submitted to the EPA National Air and Radiation Environmental Laboratory (NAREL) in Montgomery, Alabama. Figure 5 in Appendix A presents the vertical gamma profiling data, identifies the vertical intervals where soil samples were collected, and presents the laboratory-determined radium-226 concentrations of the collected soil samples.

From the 650 E. Gilbert Street parcel, six surface soil samples (650-SS-9-1, 650-SS-12-1, SS-23-1, 650-SS-24-1, and 650-SS-BGA, and 650-SS-BGB) were collected from areas exhibiting elevated gamma readings and from background locations. The locations of these soil samples are identified on Figure 4 in Appendix A. Samples were submitted to NAREL in Montgomery, Alabama.

During a subsequent investigation trip on May 5, 2009, START collected four soil samples from two locations (902-01 and 902-02) from the 920 S. St. Francis Street parcel within identified areas of concern. The locations of these soil samples are identified on Figure 4 in Appendix A. Samples were submitted to the GEL Laboratories, LLC (GEL) in Charleston, South Carolina.

Interior Gamma Surveys and Radon Monitoring

EPA conducted interior surveys within the Phillips Southern Electric warehouse building on the 650 E. Gilbert Street Parcel, within the Guadalupe Clinic building on the 940 S. St. Francis Street parcel, and within the private residence at 920 S. St. Francis Street. A Ludlum Model 2241-2 ratemeter with a Ludlum Model 44-10 NaI scintillation detector and a Ludlum Model 192 MicroR meter were used to conduct the interior gamma surveys. Readings above background levels were not observed within the Guadalupe Clinic. Elevated gamma readings were observed within the private residence and within the Phillips Southern Electric warehouse. These elevated readings were attributed to radiologically impacted soil located adjacent to or beneath these structures.

Monitoring for radon, a daughter product of radium, was conducted within the 920 S. St. Francis Street private residence and within the Guadalupe Clinic to determine if radium may have impacted indoor air quality. Electret ion chamber radon detectors (EC) were used to measure indoor radon concentrations. An EC contains a charged electret (an electrostatically-charged disk of Teflon®), which collects ions formed in

the chamber by radiation emitted from radon and radon decay products. When the device is exposed, radon diffuses into the chamber through filtered openings. Ions generated continuously by decay of radon and radon decay products are drawn to the surface of the electret and reduce its surface voltage. The amount of voltage reduction is related directly to the average radon concentration and the duration of the exposure period (EPA 1992).

On April 14, 2009, START deployed RadElec E-PERM® ECs within the 920 S. St. Francis Street residence and within the Guadalupe Clinic. The ECs were deployed in pairs within the following rooms: a bedroom of the 920 S. St. Francis Street residence, the cafeteria of the Guadalupe Clinic, and at the nurse's station in the Guadalupe Clinic. The ECs were left in place for an exposure period of 7 days. On March 21, 2009, START collected the ECs. START measured both the initial and final voltages of the electrets and used RadElec's software to determine the radon concentrations. The measured radon concentrations were all below the EPA-established health-based level of 4 picoCuries per liter (pCi/L). The radon measurement results are presented in Appendix B, Table 1.

ANALYTICAL DATA SUMMARY

Soil samples collected on March 23, 2009, from the 650 E. Gilbert Street parcel were submitted to NAREL for the following analyses: gross alpha/beta, radionuclides by gamma spectroscopy, and uranium and thorium by extraction chromatography. Table 2 in Appendix B summarizes the analytical results for soil samples collected from the 650 E. Gilbert Street parcel. Soil samples collected on May 5, 2009, were submitted to GEL for radium-226 analysis by bismuth-ingrowth/gamma spectroscopy. Table 3 in Appendix B summarizes the analytical results for soil samples collected from the 920 S. St. Francis Street parcel. The laboratory data suggest that elevated gamma activity at the site can be attributed primarily to radium-226 and its progeny. The analytical reports are included in Appendix E.

Standards have been developed for cleanup of radiation-contaminated soil under the Uranium Mill Tailings Radiation Control Act (UMTRCA) of 1978, as found in 40 *Code of Federal Regulations* (CFR) Part 192; however, these standards were developed specifically for uranium mill tailings sites. The purpose of these standards was to limit the risk from inhalation of radon decay products in houses built on mine tailings, and to limit gamma radiation exposure to people using contaminated land. UMTRCA specifies two cleanup standards based on the concentrations of radium-226: (1) a surface soil cleanup to 5 pCi/g and (2) a subsurface soil cleanup to 15 pCi/g. An EPA Memorandum of February 12, 1998, clarifies the use of these two UMTRCA soil cleanup standards for CERCLA sites (EPA 1998). The

surface soil standard of 5 pCi/g of radium-226 is a health-based standard and was developed to control the hazard from gamma radiation; therefore, this standard may be appropriate and relevant to CERCLA sites. The subsurface soil standard of 15 pCi/g of radium-226 was not developed as a health-based standard, but specifically for uranium mill tailings sites as a tool for locating discrete deposits of high-activity tailings in the subsurface using field instruments; therefore, this subsurface soil standard may not be appropriate or relevant to the Standard Products site. For the site, EPA has established a time-critical removal action level for radium-226 of 5 pCi/g above background in soil. The mean radium-226 concentration of the background soil samples collected from the 650 E. Gilbert Street parcel is 2.16 pCi/g. Therefore, the estimated time-critical removal action for the Standard Products site for radium-226 is 7.16 pCi/g. Multiple samples collected from the site exhibited radium-226 concentrations above the estimated removal action level (see Appendix B, Tables 2 and 3).

DEVIATION FROM THE QAPP

The QAPP specifies use of a Durridge RAD7 direct read radon monitor. Instead of a Durridge RAD7, E-PERM® electret ion chambers manufactured by Rad-Elec were used to measure indoor radon concentrations. Use of the E-PERM electret ion chambers meets the data quality objectives (DQO) specified in the QAPP as an acceptable method for measuring indoor radon concentrations.

The QAPP specifies laboratory determination of radium-226 concentrations using both gamma spectrometry and alpha spectrometry methods; however, due to limited resources at NAREL, only the gamma spectrometry method was used for determining radium-226 concentrations from samples collected from the 650 E. Gilbert Street parcel.

REMOVAL CONSIDERATIONS

Based on information obtained during this RSE and the previous site assessment performed by KDHE, a removal action is warranted at the Standard Products site to address radium-226 contamination in surface and subsurface soils. A removal site evaluation form is provided in Appendix F.

PRE-REMEDIAL CONSIDERATIONS

Pre-remedial issues had been evaluated as part of the KDHE UFA of the site in 2006. Based on the results of this assessment, no further pre-remedial investigation activities appear warranted.

REFERENCES

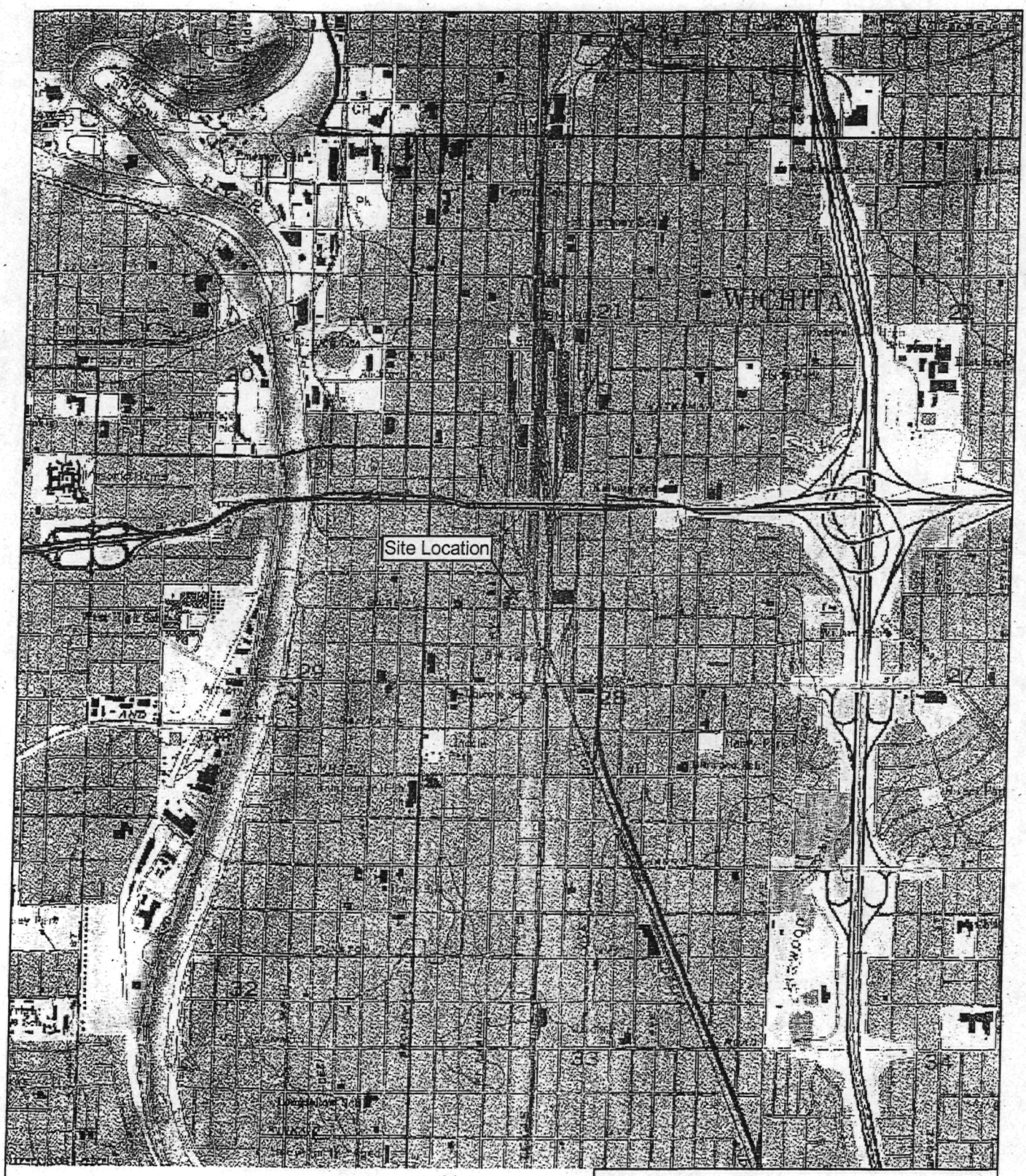
Kansas Department of Health and Environment (KDHE). 2006. Unified Focus Assessment Report, Standard Products, Inc. (Former), 650 East Gilbert, Wichita, Kansas. March.

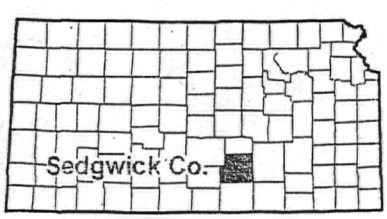
U.S. Environmental Protection Agency (EPA). 1998. Interoffice Memorandum Regarding Use of Soil Cleanup Criteria in 40 *Code of Federal Regulations* (CFR) Part 192 as Remediation Goals for Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Sites. From Stephen D. Luftig, Director of Office of Superfund Remediation Technology Innovation. To Distribution. February 12.

EPA. 1992. Indoor Radon and Radon Decay Product Measurement Device Protocols. Office of Air and Radiation. EPA 402-R-92-004. July.

APPENDIX A

FIGURES





N

1,000 0 1,000

Feet

Note: The Environmental Protection Agency does not guarantee the accuracy, completeness, or timeliness of the information shown, and shall not be liable for any injury or loss resulting from the reliance upon the information shown.

Source: ImageConnect USGS 1:24k Topo Stack

Radiation - Standard Products, Inc. (Former)
Wichita, Kansas

Figure 1

Site Location Map

TETRA TECH EM INC.

Date: 07/23/2009 Drawn By: Colin Willits Project No: 103DX9004L090131000

X:\G\900-599\131\Projects\mxd\RSE_Figure1.mxd

TABLE 2

LABORATORY RESULTS FOR SOIL SAMPLES COLLECTED FROM 658 E. GILBERT STREET
RADIATION - STANDARD PRODUCTS, INC. (FORMER), WICHITA, KANSAS

Sample Information		Gross Alpha/Beta Analysis[1]		Gamma Spectroscopy Analysis[2]															Thorium Analysis[3]				Uranium Analysis[4]		
				Uranium-238 Decay Series					Thorium-232 Decay Series					Uranium-235 Decay Series			Misc. Radionuclides								
Sample Name	Date Collected	Alpha	Beta	Th-234	Ra-226 *	Pb-214 *	Bi-214*	Pb-210	Ra-228	Ra-224	Pb-212	Bi-212	Tl-208	U-235 *	Th-227	Ra-223 *	Cs-137	K-40	Th-227 *	Th-228	Th-230	Th-232	U-234	U-235	U-238
650-SB-7-2 (0-1 FT)	3/26/2009	7.00	33.00	—	13.3	9.82	9.14	—	0.535	0.816	0.549	0.601	0.176	0.835	—	0.176	0.0973	12.3	—	—	—	—	—	—	—
650-SB-10-1 (0-1 FT)	3/26/2009	79.70	41.10	—	6.69	5.28	4.90	—	0.746	0.440	0.712	0.818	0.229	0.452	—	0.0641	0.0137	21.0	—	—	—	—	—	—	—
650-SB-10-1 (1-2 FT)	3/26/2009	17.00	24.90	1.21	ND	1.17	1.12	—	1.07	0.332	1.05	1.07	0.348	0.112	—	0.238	0.0223	18.5	—	—	—	—	—	—	—
650-SB-13-1 (0-1 FT)	3/26/2009	195.00	56.80	1.30	10.3	15.3	14.3	—	0.837	1.59	0.673	0.656	0.228	1.24	—	0.395	0.0529	11.8	—	—	—	—	—	—	—
650-SB-13-1 (1-2 FT)	3/26/2009	67.90	18.90	3.78	5.14	5.13	4.87	4.17	0.878	1.01	0.904	1.11	0.306	0.245	0.238	0.490	ND	7.85	—	—	—	—	—	—	—
650-SB-13-2 (0-3.5 FT)	3/26/2009	3270.00	568.00	—	322	247	241	160	ND	16.1	0.805	—	—	—	—	—	ND	15.8	0.0808	0.541	1.03	0.556	1.01	0.0337	0.991
650-SB-13-2 (0-3.5 FT) (laboratory duplicate)	3/26/2009	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.105	0.469	0.976	0.61	1.14	0.0853	1.05
650-SB-13-2 (3.5-4 FT)	3/26/2009	47.20	31.70	—	1.7	1.29	1.04	—	1.51	—	1.62	1.63	0.489	0.107	—	—	ND	19.9	—	—	—	—	—	—	—
650-SB-13-3 (0-1 FT)	3/26/2009	2380.00	430.00	—	187	142	133	—	ND	9.66	0.946	—	0.224	—	—	—	ND	11.8	—	—	—	—	—	—	—
650-SB-13-3 (1-2 FT)	3/26/2009	252.00	67.10	—	187	10.5	9.99	—	1.09	1.21	1.04	1.45	0.318	0.983	—	0.604	0.090	16.8	0.0853	0.984	1.29	0.855	1.31	0.100	1.08
650-SB-13-3 (2-3 FT)	3/26/2009	43.20	30.90	0.663	2.31	1.25	1.23	0.773	1.47	—	1.17	1.65	0.484	0.142	—	—	ND	22.0	—	—	—	—	—	—	—
650-SB-17-1 (0-3 FT)	3/26/2009	3080.00	584.00	—	382	180	167	—	ND	7.50	0.945	—	0.173	—	—	—	ND	18.5	—	—	—	—	—	—	—
650-SB-17-1 (3-4 FT)	3/26/2009	34.30	37.80	0.712	2.75	1.84	1.54	1.50	1.45	—	1.03	1.51	0.472	0.172	—	—	ND	23.0	—	—	—	—	—	—	—
650-SB-9-1 (surface soil sample)	3/26/2009	98.70	45.70	—	119	7.44	6.90	—	0.814	1.15	0.815	1.13	0.269	0.566	—	0.208	ND	19.6	—	—	—	—	—	—	—
650-SB-12-1 (surface soil sample)	3/26/2009	13.90	20.60	0.567	1.49	0.928	0.778	2.00	0.742	0.749	0.691	0.769	0.224	0.0936	—	—	0.254	17.0	0.0711	0.787	0.748	0.628	0.709	0.0335	0.662
650-SB-23-1 (surface soil sample)	3/26/2009	176.00	48.10	—	20.1	16.2	15.9	8.06	0.595	—	0.717	—	0.105	—	—	—	0.236	17.1	—	—	—	—	—	—	—
650-SB-24-1 (surface soil sample)	3/26/2009	105.00	45.60	—	8.93	6.12	5.74	—	0.591	0.931	0.862	0.489	0.129	0.580	—	0.123	0.24	19.2	—	—	—	—	—	—	—
Background Samples																									
650-SB-BGA (background surface soil sample)	3/26/2009	37.00	35.70	0.360	2.81	1.79	1.72	2.00	0.751	0.876	0.731	0.778	0.238	0.177	—	0.196	0.160	18.7	0.0130	0.717	0.600	0.617	0.549	0.0242	0.604
650-SS-BGB (background surface soil sample)	3/26/2009	35.30	25.80	0.410	1.43	0.824	0.820	2.00	0.753	0.592	0.733	0.679	0.234	0.0903	—	0.250	0.254	18.7	0.0415	0.842	0.544	0.561	0.521	0.0444	0.508
650-SB-BG1 (2-3 FT) (background sample)	3/26/2009	34.70	24.10	—	2.29	1.34	1.24	—	1.45	1.22	1.49	1.40	0.498	0.144	—	0.413	ND	20.7	0.121	1.34	1.21	1.24	0.722	0.0456	0.785
650-SB-BG1 (2-3 FT) (laboratory duplicate)	3/26/2009	—	—	0.878	2.26	1.37	1.28	—	1.51	0.900	1.44	1.48	0.481	0.139	—	0.339	ND	21.9	0.0616	1.61	1.29	1.17	0.771	0.0464	0.741
650-SB-BG2 (2-3 FT) (background sample)	3/26/2009	31.70	29.20	0.880	1.99	1.19	1.13	—	1.33	0.933	1.31	1.30	0.430	0.124	—	0.316	ND	20.0	0.0295	1.38	1.10	1.10	0.862	0.0177	0.710
Mean Background Concentration		34.66	28.85	0.632	2.16	1.30	1.23	2.00	1.16	0.904	1.14	1.13	0.377	0.135	—	0.299	—	19.6	0.0533	1.16	0.95	0.95	0.849	0.0355	0.669

Notes:
All results are in picoCuries per gram.
Shaded cell indicates radium-226 concentrations that exceed the estimated time-critical removal action of 7.16 pCi/g

1 Analytical method: NAREL GR-03 (gross alpha/beta)
2 Analytical method: NAREL GAM-01 (gamma spectrometry)
3 Analytical method: NAREL U-EICHROM (extraction chromatography)
4 Analytical method: NAREL TH-EICHROM (extraction chromatography)
* Laboratory qualifier indicating the result may be significantly under or over estimated
— No analysis performed or results not reported for this element
ND Element not detected at or above the minimum detectable concentration

Elements:
Bi Bismuth
Cs Cesium
K Potassium
Pb Lead
Ra Radium
Th Thorium
Tl Thallium
U Uranium

ARTICLES OF INCORPORATION

of

STANDARD PRODUCTS, INC.

WE, the undersigned, incorporators, hereby associate ourselves together to form and establish a corporation FOR profit under the Laws of the State of Kansas.

FIRST: The Name of the Corporation is STANDARD PRODUCTS, INC.

SECOND: The location of its Registered Office in this State is:

650 East Gilbert
Wichita, Sedgwick County,
Kansas.

THIRD: The Name and Address of its Resident Agent in this State is:

Richard F. Mullins
827 Beacon Building
Wichita 2, Sedgwick
County, Kansas.

FOURTH: This corporation is organized FOR profit and the nature of its business is:

The carrying on and conducting of a business in the distribution of aviation and industrial parts, equipment and supplies;

For the servicing, rebuilding and repairing of aircraft and industrial instruments, accessories and components;

For the conducting of a business in the construction, assembling, manufacturing, building and servicing of aviation and industrial test equipment;

For the buying, selling and distributing at wholesale and retail of various aviation and industrial instruments, accessories, parts and supplies;

To manufacture, sell and distribute any and all merchandise and wares;

To hold, purchase, acquire, sell, convey, lease, mortgage, and dispose of property, real or personal, tangible or intangible, including its rights, privileges and franchises; to have power to acquire, purchase, hold, lease, convey, mortgage, and pledge real and personal property; power to borrow money and issue, sell, or pledge bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness, secured or unsecured, and to purchase, acquire, subscribe for, guarantee, hold and dispose of the shares, bonds, and other evidences of indebtedness or contracts of any other corporation, domestic or foreign;

To establish and maintain branch locations and places of business within and without the State as may be necessary for the carrying out of the provisions herein contained;

To appoint such officers and agents as the business of the corporation shall require and to allow them suitable compensation; to do all acts, requisite and proper, to qualify under the laws of any State, to domicile the corporation in and to do business in any other State or territory of the United States; and to do all acts necessary, convenient or expedient to accomplish the purposes of this corporation in so far as provided and permitted by the Laws of the State of Kansas.

FIFTH: The total amount of capital of this corporation is One Hundred Thousand Dollars ($100,000.00), and the total number of shares into which it is divided is as follows:

1,000 shares of Common Stock of a par value of $100.00 each;

Said Common Stock to have the exclusive voting power and to have all of the rights of Common Stock provided by the Laws of the State of Kansas.

Stockholders owning stock in this corporation, after said stock has been issued and fully paid for, shall not be liable, personally or individually, for payment of corporation debts.

Whenever a compromise or arrangement is proposed between this corporation and its creditors, or any class of them, secured or unsecured, or between this corporation and its stockholders, or any class of them, any court, State or Federal, of competent jurisdiction within the State of Kansas may on the application in a summary way of this corporation, or of any creditor, secured or unsecured, or stockholders thereof, or on the application of Trustees in dissolution, or on the application of any receiver, or receivers, appointed for this corporation by any court, State or Federal, of competent jurisdiction, order a meeting of the creditors, or class of creditors, secured or unsecured, or of the stockholders, or class of stockholders, of this corporation, as the case may be, to be summoned in such manner as said court directs. If a majority in number representing three-fourths in

value of the creditors, or class of creditors, or of the stockholders, or class of stockholders, of this corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made, be binding upon all the creditors, or class of creditors, or on all the stockholders, or class of stockholders, of this corporation, as the case may be, and also on this corporation.

Statement of Grant of Authority, as may be desired to be given to the Board of Directors, if given:

The Board of Directors shall have all the usual and customary powers of a Board of Directors of a corporation as provided by the By-Laws of this Corporation.

SIXTH: The minimum amount of capital with which this Corporation will commence business is Twenty-Five Thousand Dollars ($25,000.00) value in cash and assets.

SEVENTH: The Name and Place of Residence (P. O. Address) of each of the incorporators:

E. L. Crabb,	4601 East First Street, Wichita, Kansas.
J. F. Garufo,	241 South Belmont, Wichita, Kansas.
Charles N. Black,	511 Beacon Building, Wichita 2, Kansas.
G. E. Mills,	511 Beacon Building, Wichita 2, Kansas.
Richard F. Mullins,	827 Beacon Building, Wichita 2, Kansas.

EIGHTH: The Term for which this Corporation is to exist is FIFTY YEARS.

NINTH: The Number of Directors shall be not less than three (3) nor more than five (5), as determined by Resolution of

stockholders of the Corporation at annual meeting.

IN TESTIMONY WHEREOF, We have hereunto subscribed our names this 13th day of May, 1949.

E. L. Cross

J. F. Hamlin

Charles T. Black

A. E. Mills

Richard Mullins

STATE OF KANSAS)
: SS
COUNTY OF SEDGWICK)

Personally appeared before me, a Notary Public in and for Sedgwick County, Kansas, the above named E. L. CRABB, J. F. GARUFO, CHARLES N. BLACK, ED MILLS, and RICHARD F. MULLINS, who are personally known to me to be the same persons who executed the foregoing instrument of writing, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of May, 1949.

Notary Public

My commission expires:
Aug. 18, 1951

OFFICE OF SECRETARY OF STATE

Received of STANDARD PRODUCTS, INC., and deposited in the State Treasury, fees on these Articles of Incorporation, as follows:

May 14, 1949	Application Fee	$25.00
May 14, 1949	Filing and Recording Fee.	$ 2.50
May 14, 1949	Capitalization Fee.	$100.00

Larry Ryan
Secretary of State.

By A. M. Lowrey
Chief Clerk

FILED
MAY 14 1949
LARRY RYAN
SECY. OF STATE

6-13-55

568

STATE OF KANSAS

FRANK J. RYAN, SECRETARY OF STATE

To All to Whom these Presents shall Come, Greeting:

I, FRANK J. RYAN, Secretary of State of the State of Kansas, do hereby certify that the following and hereto attached is a true copy of

ARTICLES OF INCORPORATION

OF

PRODUCTION PRODUCTS, INC.

FILED: July 17, 1948

the original of which is now on file and a matter of record in this office.

In Testimony Whereof: I hereto set my hand and cause to be affixed my official seal.

Done at the City of Topeka, this 17th

day of July *A. D. 19* 48

Frank J. Ryan *Secretary of State.*

By Frances E. Ryan *Asst. Secretary of State.*

ARTICLES OF INCORPORATION

OF

PRODUCTION PRODUCTS, INC.

WE, the undersigned, incorporators, hereby associate ourselves together to form and establish a corporation FOR profit under the Laws of the State of Kansas.

FIRST: The Name of the Corporation is PRODUCTION PRODUCTS, INC.

SECOND: The Location of its Registered Office in this State is:

523 Beacon Building
Wichita 2, Sedgwick
County, Kansas.

THIRD: The Name and Address of its Resident Agent in this State is:

Richard F. Mullins,
523 Beacon Building,
Wichita 2, Sedgwick County, Kansas.

FOURTH: This Corporation is organized FOR profit and the nature of its business is:

The carrying on and conducting of a general machine shop and manufacturing plant for the machining and manufacturing of metallic and non-metallic products to be used in production;

For the carrying on and conducting of a general manufacturing business for the manufacture of metallic and non-metallic products for consumption;

For the conducting of a general wholesale and retail business;

For the handling, sale and distribution of all types of automotive and aircraft parts and supplies;

Also, for the purpose of contracting and sub-contracting business in connection with the manufacture of metallic and non-metallic items;

To buy, sell, distribute at wholesale and retail, various mechanical, electric, automotive and aircraft devices, machinery and equipment;

To manufacture, sell and distribute any and all merchandise and wares;

To hold, purchase, acquire, sell, convey, lease, mortgage, and dispose of property, real or personal, tangible or intangible, including its rights, privileges and franchises; to have power to acquire, purchase, hold, lease, convey, mortgage, and pledge real and personal property; power to borrow money and issue, sell, or pledge bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness, secured or unsecured, and to purchase, acquire, subscribe for, guarantee, hold and dispose of the shares, bonds, and other evidences of indebtedness or contracts of any other corporation, domestic or foreign;

To establish and maintain branch locations and places of business within and without the State as may be necessary for the carrying out of the provisions herein contained;

To appoint such officers and agents as the business of the corporation shall require and to allow them suitable compensation; to do all acts, requisite and proper, to qualify under the laws of any State, to domicile the corporation in and to do business in any other State or territory of the United States; and to do all acts necessary, convenient or expedient to accomplish the purposes of this corporation in so far as provided and permitted by the Laws of the State of Kansas.

FIFTH: The total amount of capital of this corporation is Fifty Thousand Dollars ($50,000.00), and the total number of shares into which it is divided is as follows:

1,000 shares of Common Stock of a par value of $50.00 each;

Said Common Stock to have the exclusive voting power and to have all of the rights of Common Stock provided by the Laws of the State of Kansas.

Stockholders owning stock in this corporation, after said stock has been issued and fully paid for, shall not be liable, personally or individually, for payment of corporation debts.

Whenever a compromise or arrangement is proposed between this corporation and its creditors, or any class of them, secured or unsecured, or between this corporation and its stockholders, or any class of them, any court, State or Federal, of competent jurisdiction within the State of Kansas may on the application in a summary way of this corporation, or of any creditor, secured or unsecured, or stockholders

thereof, or on the application of Trustees in dissolution, or on the application of any receiver, or receivers, appointed for this corporation by any court, State or Federal, of competent jurisdiction, order a meeting of the creditors, or class of creditors, secured or unsecured, or of the stockholders, or class of stockholders, of this corporation, as the case may be, to be summoned in such manner as said court directs. If a majority in number representing three-fourths in value of the creditors, or class of creditors, or of the stockholders, or class of stockholders, of this corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made, be binding upon all the creditors, or class of creditors, or on all the stockholders, or class of stockholders, of this corporation, as the case may be, and also on this corporation.

Statement of Grant of Authority, as may be desired to be given to the Board of Directors, if given:

The Board of Directors shall have all the usual and customary powers of a Board of Directors of a corporation as provided by the By-Laws of this Corporation.

SIXTH: The minimum amount of capital with which this Corporation will commence business is Ten Thousand Dollars ($10,000) value in cash and assets.

SEVENTH: The Name and Place of Residence (P. O. Address) of each of the incorporators:

E. L. Crabb,	4601 East First Street, Wichita, Kansas.
Richard F. Mullins,	523 Beacon Building, Wichita 2, Kansas.
Ralph Kester,	204 North Hydraulic, Wichita, Kansas.
H. Wendell Helms,	952 North Vassar, Wichita, Kansas.

EIGHTH: The Term for which this Corporation is to exist is FIFTY YEARS.

NINTH: The Number of Directors shall be not less than three (3) nor more than five (5), as determined by Resolution of the

stockholders of the Corporation at annual meeting.

IN TESTIMONY WHEREOF, We have hereunto subscribed our names this 12th day of July, 1948

E. E. Cross

Richard D. Mullins

Ralph Foster

W. Howard McKenna

573

STATE OF KANSAS)
: SS
COUNTY OF SEDGWICK)

Personally appeared before me, a Notary Public in and for Sedgwick County, Kansas, the above named E. L. CRABB, RICHARD F. MULLINS, RALPH KESTER, and H. WENDELL HELMS, who are personally known to me to be the same persons who executed the foregoing instrument of writing, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 12th day of July 1948.

Notary Public

My commission expires:
Aug 13 1951

Received of PRODUCTION PRODUCTS, INC. and deposited with the State Treasurer fees on the within articles of incorporation as follows:

July 17, 1948 Application fee $25.00 Filing and recording fee $2.50
Capitalization fee $50.00

Frank J. Ryan
Secretary of State

By Bart Workman
Chief Clerk

FILED JUL 17 1948
FRANK J. RYAN
SECY. OF STATE

STATE OF KANSAS, SEDGWICK COUNTY, ss. This is to certify that this instrument was filed for record on the 2nd day of August A.D. 1948 at 2:30 o'clock P.M. and recorded in book 234 at page 562

L. L. Baumann
REGISTER OF DEEDS

By _____ DEPUTY

CERTIFICATE OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
PRODUCTION PRODUCTS, INC.

STATE OF KANSAS :
ss.
COUNTY OF SEDGWICK :

We, LeRoy S. Horton, President, and C. L. Lord, Secretary, of PRODUCTION PRODUCTS, INC., a corporation organized and existing under the laws of the State of Kansas, and whose registered office is 523 Beacon Building, Wichita 2, Sedgwick County, Kansas, do hereby certify that:

1. At a special meeting of the Board of Directors of the Corporation held on the 11th day of August, 1961, the Board adopted resolutions setting forth the following amendments to the Articles of Incorporation and declared their advisability, to wit:

WHEREAS, it being deemed advisable to change the name of Production Products, Inc. to Standard Products, Inc.

BE IT RESOLVED, that Article First of the Articles of Incorporation of Production Products, Inc. be amended to read as follows:

"FIRST: The name of the Corporation is Standard Products, Inc."

WHEREAS, it being deemed advisable to increase the authorized number of Directors to not less than five (5) and not more than eleven (11).

BE IT RESOLVED, that Article Ninth of the Articles of Incorporation of Production Products, Inc. be amended to read as follows:

"NINTH: The number of Directors shall be not less than five (5) and not more than eleven (11) as determined by resolution of the stockholders of the Corporation at any annual or special meeting."

2. Thereafter, pursuant to the foregoing resolutions and in accordance with the by-laws and the laws of the State of Kansas, the Board called a meeting of stockholders for the consideration of the foregoing amendments, and thereafter, pursuant to notice and in accordance with the statutes of the State of Kansas, on the 28th day of August, 1961, the stockholders of the Corporation met and convened and considered the proposed amendments.

3. At said meeting the stockholders entitled to vote did vote upon the proposed amendments and two judges duly appointed for the purpose conducted the vote, deciding upon the qualification of voters, and declared that the sole stockholder of the Corporation had voted for the proposed amendments, certifying that the votes were 466 shares of Common Stock in favor of the proposed amendments and no shares of Common Stock against the amendments.

4. The amendments were duly adopted in accordance with the provisions of Chapter 17, Article 42, of the General Statutes of Kansas, 1949.

5. The capital of the Corporation will not be reduced under or by reason of the amendments.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of the Corporation this 1st day of September, 1961.

LeRoy S. Horton, President

C. L. Lord, Secretary

(SEAL)

THE STATE OF KANSAS

PAUL R. SHANAHAN • SECRETARY OF STATE

To all to whom these presents shall come, Greeting:

I, PAUL R. SHANAHAN, Secretary of State of the State of Kansas, do hereby certify that the following and hereto attached is a true copy of

CERTIFICATE OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

PRODUCTION PRODUCTS, INC.

(changing name to)

"STANDARD PRODUCTS, INC."

FILED: SEPTEMBER 11, 1961

STATE OF KANSAS
SEDGWICK COUNTY } SS
FILED FOR RECORD AT
11:00 A M
SEP 1 4 1961
NO. 18877
RUFUS E. DEERING
REGISTER OF DEEDS

the original of which is now on file and a matter of record in this office.

IN TESTIMONY WHEREOF:

I hereto set my hand and cause to be affixed my official seal.

Done at the City of Topeka, this Eleventh day of September A. D. 19 61

Paul R. Shanahan

SECRETARY OF STATE

By

ASSISTANT SECRETARY OF STATE

ARN, MULLINS, UNRUH & KUHN

Form No. 272C

MISC BOOK 488 PAGE 533

CERTIFICATE OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
PRODUCTION PRODUCTS, INC.

STATE OF KANSAS :
ss.
COUNTY OF SEDGWICK :

We, LeRoy S. Horton, President, and C. L. Lord, Secretary, of PRODUCTION PRODUCTS, INC., a corporation organized and existing under the laws of the State of Kansas, and whose registered office is 523 Beacon Building, Wichita 2, Sedgwick County, Kansas, do hereby certify that:

1. At a special meeting of the Board of Directors of the Corporation held on the 11th day of August, 1961, the Board adopted resolutions setting forth the following amendments to the Articles of Incorporation and declared their advisability, to wit:

WHEREAS, it being deemed advisable to change the name of Production Products, Inc. to Standard Products, Inc.

BE IT RESOLVED, that Article First of the Articles of Incorporation of Production Products, Inc. be amended to read as follows:

"FIRST: The name of the Corporation is Standard Products, Inc."

WHEREAS, it being deemed advisable to increase the authorized number of Directors to not less than five (5) and not more than eleven (11).

BE IT RESOLVED, that Article Ninth of the Articles of Incorporation of Production Products, Inc. be amended to read as follows:

"NINTH: The number of Directors shall be not less than five (5) and not more than eleven (11) as determined by resolution of the stockholders of the Corporation at any annual or special meeting."

2. Thereafter, pursuant to the foregoing resolutions and in accordance with the by-laws and the laws of the State of Kansas, the Board called a meeting of stockholders for the consideration of the foregoing amendments, and thereafter, pursuant to notice and in accordance with the statutes of the State of Kansas, on the 28th day of August, 1961, the stockholders of the Corporation met and convened and considered the proposed amendments.

3. At said meeting the stockholders entitled to vote did vote upon the proposed amendments and two judges duly appointed for the purpose conducted the vote, deciding upon the qualification of voters, and declared that the sole stockholder of the Corporation had voted for the proposed amendments, certifying that the votes were 466 shares of Common Stock in favor of the proposed amendments and no shares of Common Stock against the amendments.

4. The amendments were duly adopted in accordance with the provisions of Chapter 17, Article 42, of the General Statutes of Kansas, 1949.

5. The capital of the Corporation will not be reduced under or by reason of the amendments.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of the Corporation this 1st day of September, 1961.

LeRoy S. Horton, President

C. L. Lord, Secretary

(SEAL)

MISC BOOK 488 PAGE 535

STATE OF KANSAS :
ss.
COUNTY OF SEDGWICK :

Be it remembered, that before me a Notary Public in and for the County and State aforesaid, came LeRoy S. Horton, President, and C. L. Lord, Secretary, of Production Products, Inc., a corporation, personally known to me to be the persons who executed the foregoing instrument of writing as President and Secretary, respectively, and duly acknowledged the execution of the same this 1st day of September, 1961.

Nina Lee Baker
Notary Public Nina Lee Baker

(SEAL)

My Commission Expires:
My Commission Expires June 9, 1965

OFFICE OF SECRETARY OF STATE

Topeka, Kansas Sept. 11 19 61

Received of STANDARD PRODUCTS, INC.

Two and fifty/100 ---------- Dollars,

fee for filing the within Amendment.

PAUL R. SHANAHAN
Secretary of State.

By JAMES L. GALLE
~~Chief Clerk.~~
Assistant Secretary of State

FILED
SEP 11 1961
PAUL R. SHANAHAN
SEC'Y.

CERTIFICATE OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
PRODUCTION PRODUCTS, INC.

Whose Registered Office is
523 Beacon Building,
Wichita 2, Sedgwick County,
Kansas

MISC BOOK 488 PAGE 537

STATE OF KANSAS

OFFICE OF THE SECRETARY OF STATE

THIS IS TO CERTIFY, That STANDARD PRODUCTS, INC.

whose Registered Office is Wichita, Sedgwick County, *Kansas,*

filed its Resolution of Dissolution, as provided by law, in this office the 21st *day of*

August *A. D. 19*61.

GIVEN UNDER MY HAND AND SEAL this 21st *day*

of August *A. D. 19*61.

Paul R. Shanahan *Secretary of State.*

By _____

Assistant Secretary of State.

26-4442 6-56-1M 77-L
FORM No. 211 C

MISC BOOK 523 PAGE 344

THE STATE OF KANSAS

PAUL R. SHANAHAN • SECRETARY OF STATE

To all to whom these presents shall come, Greeting:

I, PAUL R. SHANAHAN, Secretary of State of the State of Kansas, do hereby certify that the following and hereto attached is a true copy of

STATE OF KANSAS
SEDGWICK COUNTY } ss
FILED FOR RECORD AT
10:20 A.M.
AUG 6 1963
NO. 15917
RUFUS E. DEERING
REGISTER OF DEEDS
By B. Bidwell

CERTIFICATE OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
STANDARD PRODUCTS, INC.
CHANGING THEIR NAME
TO
STANDARD PRECISION, INC.
FILED: August 2, 1963

the original of which is now on file and a matter of record in this office.

IN TESTIMONY WHEREOF:

I hereto set my hand and cause to be affixed my official seal.

Done at the City of Topeka, this Second day of August A.D. 19 63

Paul R. Shanahan
SECRETARY OF STATE

1-25 Ann Mullins, Lynch, Kahn & Cate
201 Beacon Bldg
Wichita Ks

Form No. 252C

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION OF STANDARD PRODUCTS, INC.

STATE OF KANSAS, } ss.
COUNTY OF Sedgwick }

We S. M. Murray, President, and H. E. Morgan, Assistant Secretary of Standard Products, Inc.,

a corporation organized and existing under the laws of the State of Kansas, and whose registered office is The Corporation Company, Inc., First National Bank Building, Topeka, Shawnee
(Street and Number) (Town or City) (County)

Kansas, do hereby certify that at the special (Regular or Special) meeting of the Board of Directors of said corporation held on the 17th day of July, 19 63, said board adopted a resolution setting forth the following amendment to the Articles of Incorporation and declared its advisability, to wit:

BE IT RESOLVED, That the name of this corporation be changed from Standard Products, Inc. to Standard Precision, Inc.

That thereafter, pursuant to said resolution and in accordance with the by-laws and the laws of the State of Kansas, said directors called a meeting of stockholders for the consideration of said amendment, and thereafter, pursuant to said notice and in accordance with the statutes of the State of Kansas, on the 17th day of July, 19 63, said stockholders met and convened and considered said proposed amendment.

That at said meeting the stockholders entitled to vote did vote upon said amendment, and two judges duly appointed for the purpose conducted said vote deciding upon the qualification of voters and declared that the majority of voting stockholders of the corporation had voted for the proposed amendment certifying that the votes were All (By class or classes) shares in favor of the proposed amendment and No (By class or classes) shares against the amendment.

That said amendment was duly adopted in accordance with the provisions of Chapter 17, Article 42, General Statutes of Kansas, 1949, and amendments thereto.

That the capital of said corporation will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF we have hereunto set our hands and affixed the seal of said corporation this 30 day of July, 1963

[SEAL]

S M Murray
President or Vice President

H E Morgan
Secretary or Assistant Secretary

(over)

MISC. BOOK 523 PAGE 345

MISC. BOOK 523 PAGE 346

STATE OF KANSAS,
COUNTY OF Sedgwick } ss.

Be it remembered, that before me ______ a Notary Public in and for the County and State aforesaid, came S. M. Murray President, Vice-President and H. E. Morgan Secretary, Assistant Secretary of Standard Products, Inc., a corporation, personally known to me to be the persons who executed the foregoing instrument of writing as President and Assistant Secretary respectively, and duly acknowledged the execution of the same this 30th day of July 1963.

[SEAL]

Nina Lee Baker
Notary Public.

My commission expires ______ 19__
My Commission Expires June 9, 1965

FILED
AUG -2 1963
PAUL R. SHANAHAN
SECY. OF STATE

OFFICE OF SECRETARY OF STATE

Topeka, Kansas, August 2, 19 63

Received of STANDARD PRECISION, INC.

Two and fifty/100 ---------------------- Dollars,

fee for filing the within Certificate of Amendment.

Paul R. Shanahan
Secretary of State.

By William R. Stewart
Assistant Secretary of State.

THE STATE OF KANSAS

MISC. 566 PAGE 315

PAUL R. SHANAHAN, SECRETARY OF STATE

To all to whom these presents shall come, Greeting:

I, PAUL R. SHANAHAN, Secretary of State of the State of Kansas, do hereby certify that the following and hereto attached is a true copy of

ARTICLES OF INCORPORATION

OF

STANDARD PRECISION, INC.

FILED: SEPTEMBER 30, 1965

STATE OF KANSAS } ss
SEDGWICK COUNTY }
FILED FOR RECORD AT
OCT 15 1965
21898
RUFUS E. DEERING
REGISTER OF DEEDS

the original of which is now on file and a matter of record in this office.

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed my official seal.

Done at the City of Topeka, this 30th day of

September A.D. 19 65.

Paul R. Shanahan

SECRETARY OF STATE

FORM NO. 252C

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION OF STANDARD PRODUCTS, INC.

STATE OF KANSAS, } ss.
COUNTY OF Sedgwick }

We, S. M. Murray, President, and H. E. Morgan, Assistant Secretary of Standard Products, Inc.,

a corporation organized and existing under the laws of the State of Kansas, and whose registered office is The Corporation Company, Inc., First National Bank Building, Topeka, Shawnee
(Street and Number) (Town or City) (County)

Kansas, do hereby certify that at the special (Regular or Special) meeting of the Board of Directors of said corporation held on the 17th day of July, 19 63, said board adopted a resolution setting forth the following amendment to the Articles of Incorporation and declared its advisability, to wit:

BE IT RESOLVED, That the name of this corporation be changed from Standard Products, Inc. to Standard Precision, Inc.

That thereafter, pursuant to said resolution and in accordance with the by-laws and the laws of the State of Kansas, said directors called a meeting of stockholders for the consideration of said amendment, and thereafter, pursuant to said notice and in accordance with the statutes of the State of Kansas, on the 17th day of July, 19 63, said stockholders met and convened and considered said proposed amendment.

That at said meeting the stockholders entitled to vote did vote upon said amendment, and two judges duly appointed for the purpose conducted said vote deciding upon the qualification of voters and declared that the majority of voting stockholders of the corporation had voted for the proposed amendment certifying that the votes were All (By class or classes) shares in favor of the proposed amendment and No (By class or classes) shares against the amendment.

That said amendment was duly adopted in accordance with the provisions of Chapter 17, Article 42, General Statutes of Kansas, 1949, and amendments thereto.

That the capital of said corporation will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF we have hereunto set our hands and affixed the seal of said corporation this 30 day of July 1963

[SEAL]

S M Murray
President or Vice-President.

H E Morgan
Secretary or Assistant Secretary.

(OVER)

EPA 173

STATE OF KANSAS,
County of Sedgwick } ss.

Be it remembered, that before me _____ a Notary Public in and for the County and State aforesaid, came S. M. Murray President, Vice-President and H. E. Morgan Secretary, Assistant Secretary of Standard Products, Inc., a corporation, personally known to me to be the persons who executed the foregoing instrument of writing as President and Assistant Secretary respectively, and duly acknowledged the execution of the same this 30th day of July 19 63

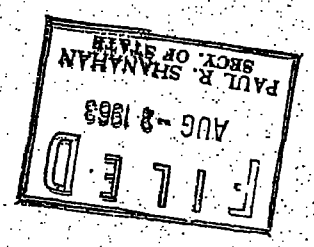
[Seal]

Nina Lee Baker Notary Public.

My commission expires _____ 19

My Commission Expires June 9, 1965

7-25-63
205 C
27-4603-8—35-21-62



Assistant Secretary of State.

Secretary of State.

Filing the within Certificate of Amendment. fee for

Two and fifty/100 Dollars

Received of STANDARD PRECISION, INC.

Topeka, Kansas, August 2, 19 63

OFFICE OF SECRETARY OF STATE

EPA 174

MINUTES OF MEETING

of the

BOARD OF DIRECTORS
of

ELECTRONIC COMMUNICATIONS, INC.

Held September 27, 1965

A meeting of the Board of Directors of ELECTRONIC COMMUNICATIONS, INC. was held at the Midday Club on the 28th Floor of the Fidelity-Philadelphia Trust Building, Philadelphia, Pennsylvania, on Monday, September 27, 1965, immediately following lunch, pursuant to notice given to all the Directors in accordance with the By-Laws of the Corporation.

The following Directors of the Corporation, constituting a quorum, were present:

Messrs. W. R. Yarnall
C. K. Baxter
S. W. Bishop
D. R. Bradley
Duncan Miller
W. D. Roosevelt
E. P. T. Smith, Jr.
J. B. Williams
G. R. Wilson.

Messrs. J. P. Crawford, Jr. and H. A. Kroeger were absent. Mr. T. G. B. Ebert, of Ballard, Spahr, Andrews & Ingersoll, was present by invitation.

Mr. C. L. Lord, Secretary of the Corporation, was present and acted as Secretary of the meeting.

Mr. W. R. Yarnall, Chairman, called the meeting to order.

The minutes of the meeting of the Board of Directors held on August 23, 1965 were unanimously approved.

Mr. Yarnall reported for the Executive Committee, stating the Committee had reviewed the results of operations for the month of August and projected earnings for the year ending September 30, 1965. The backlog is at an all-time high of $41,500,000 and prospects are encouraging for an even higher figure by year end. A tornado struck SPI's warehouse in Wichita on September 3, 1965 but no adverse effect is expected on the Company's financial statements because the building and contents are adequately covered by insurance. The Company is still actively pursuing acquisition possibilities and Scott Electronics Company, in Orlando, Florida, and the R. L. Drake Company, of Miamisburg, Ohio, are receiving active consideration at this time.

Mr. Bishop delivered his President's Report, including a review of operations for the month of August, 1965, which indicated profits after taxes of $31,885, or .042¢ per common share. Net income for the eleven months ended in August amounted to $455,880,

equivalent to 62¢ per common share. The Company still expects to equal or exceed earnings reported for the fiscal year ended in 1964. The backlog continues at a high level and is expected to reach another record as of the end of September, 1965. At the present time both St. Petersburg and Benson are experiencing schedule slippages because of start-up problems involved with new programs. Benson has had, in addition, the effect of the strike which was settled in early August. Mr. Bishop reviewed the charts setting forth comparison of performance against projectio for all Divisions. He stated that fiscal year 1966 forecasts will be upgraded and initial fiscal year 1967 forecasts prepared and reviewed with the Directors at the October meeting. At the same time new product development programs will also be reviewed. He concluded his report by saying that management was continuing its efforts to uncover likely acquisition candidates, and in addition to the two companies referred to in the Executive Committee report he hoped other possibilities would be available for discussion at the October meeting.

Mr. Bishop asked the Directors to give consideration to the appropriations for capital expenditures for the six month period beginning October 1, 1965 and ending March 31, 1966. After due consideration and discussion the Directors unanimously approved

the following appropriations for such period:

St. Petersburg Division:	
Manufacturing	$160,000
Engineering	85,000
Administration	35,000
	$280,000
Benson Manufacturing	60,000
Standard Precision (including $10,000 uncommitted from the prior six months appropriation)	30,000
	$370,000

The President also asked the Directors to give consideration to an annual appropriation for charitable contributions, and after discussion the Directors approved an appropriation of $5,000 for charitable contributions for the Corporation and its divisions and subsidiaries for the fiscal year ending September 30, 1966. Individual contributions are to be approved at the sole discretion of the President.

The Chairman announced that the Board of Directors should next consider a proposal that its wholly owned subsidiary, Standard Precision, Inc. be completely liquidated and dissolved pursuant to the terms of the following Plan of Complete Liquidation of Standard Precision, Inc. which was presented to the meeting:

"This Plan of Complete Liquidation proposes to accomplish the complete liquidation of Standard Precision, Inc., a Kansas corporation, through the distribution by it of all of its assets in complete cancellation of all of its stock pursuant to Section 332 of the Internal Revenue Code of 1954 in the following manner:

1. When this Plan has been adopted by the Board of Directors of Standard Precision, Inc. ("Standard"), it shall be submitted to Electronic Communications, Inc., a New Jersey corporation, ("ECI"), the owner of all of the issued and outstanding stock of Standard.

2. This Plan shall be considered adopted when the Board of Directors of ECI approves the Plan and authorizes the distribution of all of the assets of Standard in complete cancellation of all of its stock.

3. After adoption of this Plan the following action shall be taken:

(a) Standard shall cease doing business and all of its properties, assets and rights of every description real, personal and mixed, tangible and intangible, wherever situated shall be transferred and distributed to ECI in complete cancellation of all the stock of Standard, and

(b) ECI shall assume payment of all liabilities and performance of all obligations, if any, of Standard of every description, whether absolute or contingent.

4. As soon as practicable after the action referred to in Section 3 of this Plan has been taken:

(a) ECI shall surrender to Standard the certificates representing all of the issued and outstanding stock of Standard and such certificates and the shares represented thereby shall be cancelled, and

(b) Standard shall formally be dissolved in accordance with the General Corporation Code of the State of Kansas."

Thereafter, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the foregoing Plan of Complete Liquidation of Standard Precision, Inc. and that the following resolution:

"RESOLVED, that it is deemed advisable, in the judgment of the Board of Directors, and for the benefit of the Corporation, that the Corporation should be dissolved."

which was adopted by the Board of Directors of Standard Precision, Inc., on September 27, 1965, are hereby approved.

RESOLVED, that Electronic Communications, Inc., the owner of all of the issued and outstanding stock of Standard Precision, Inc., hereby authorizes and approves of the dissolution of Standard Precision, Inc. and hereby authorizes the distribution of all of its assets in complete cancellation of all of its stock as provided in the foregoing Plan of Complete Liquidation.

RESOLVED, that the President and the Secretary are hereby authorized to execute and file a written consent to the dissolution of Standard Precision, Inc. in the name and on behalf of Electronic Communications, Inc., as the owner of all of the issued and outstanding stock of Standard Precision, Inc.

RESOLVED, that the President and Secretary are authorized and directed to execute and deliver, on behalf of this Corporation and in its name, an instrument whereby Standard Precision, Inc. transfers and assigns to this Corporation all of Standard Precision, Inc.'s assets in complete cancellation of all of Standard Precision, Inc.'s stock, against an assumption by this Corporation of all of Standard Precision, Inc.'s liabilities.

The Chairman stated that in connection with the liquidation of Standard Precision, Inc. it was necessary for the Company to make satisfactory arrangements with The Fourth National Bank and Trust Company, Wichita, relative to the bank accounts and borrowings with that financial institution. Whereupon, after motion duly made and seconded, it was unanimously

> RESOLVED, that the officers of Electronic Communications, Inc. are hereby authorized to open bank accounts at The Fourth National Bank and Trust Company, Wichita, Kansas, and that they are further authorized to execute and deliver to such Bank resolutions in such form as the Bank may reasonably require, with the authorized signatures to continue to be the same as those previously authorized by Standard Precision, Inc.
>
> RESOLVED, that W. R. Yarnall, Chairman, S. W. Bishop, President, or C. L. Lord, Treasurer, are hereby authorized to deliver to The Fourth National Bank and Trust Company, Wichita, Kansas, a note dated October 1, 1965, in an amount of $75,000.00 with interest at the rate of 6% per annum until maturity, with payments to be paid in installments as follows:
>
> > $5,000.00 (Five Thousand Dollars) plus accrued interest at the rate of 6% per annum payable quarterly, beginning December 1, 1965, and $5,000.00 and accrued interest at 6%, on the 1st day of each succeeding March, June, September and December thereafter, with a final installment of $50,000.00 plus all accrued interest due and payable on March 1, 1967.

The Chairman announced that the Directors should, in connection with the dissolution of Standard Precision, Inc., consider means of preserving the Standard Precision name in Kansas. After dis-

cussion and on motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED, that the officers are authorized and directed to cause to be incorporated in Kansas, immediately after the dissolution of Standard Precision, Inc. becomes effective, a new Kansas corporation to be named Standard Precision, Inc.

The next meeting was scheduled for October 25, 1965, following lunch, at the Midday Club, 28th Floor, Fidelity-Philadelphia Trust Building, Philadelphia, Pennsylvania, unless otherwise agreed upon.

There being no further business to come before the Board, the meeting was, on motion duly made, seconded and carried, adjourned at 3:15 o'clock p.m.

C. L. Lowe

Secretary

RESOLUTION

BY

THE ECI MEGER CORP.

OF New Jersey

December 17, 1971

At a meeting of the Directors of ECI MERGER CORP.

duly held at the office of said Company, on the 17 day of December 1971

the following resolution was adopted:

RESOLVED, That the President and Secretary of this Corporation be and they are hereby authorized and instructed to execute the written consent thereof to be sued in the State of Kansas, in the manner provided in K. S. A. 17-501 and all acts amendatory thereto.

State of FLORIDA
County of PINELLAS } ss.

C. L. Lord and T. F. Peppel

being duly sworn, say that they are Vice President and Assistant Secretary respectfully of ECI MERGER CORP., a corporation of the State of New Jersey,

and that the foregoing is a ture and correct copy of the resolution adopted by the board of directors of said corporation on this 17th day of December 1971.

C. L. Lord
Vice *President.*

T. F. Peppel
Assistant *Secretary.*

SWORN TO AND SUBSCRIBED before me, this 17th day of December 1971

Gayle L. Mannington
Notary Public.

Notary Public, State of Florida at Large
My Commission Expires SEPT. 11, 1975

My commission expires

Application for Authority to Engage in Business in the State of Kansas as a Foreign Corporation

F-5942

DEC 27 3 08100 ****375

TO THE CHARTER BOARD OF THE STATE OF KANSAS:

ECI MERGER CORP., a corporation,

organized under the laws of the State of New Jersey applies for permission to engage in business in the State of Kansas, and submits the following statement, to wit:

FIRST: A certified copy of its Charter or Articles of Incorporation with certification dated within 60 days prior to presentation of application to Charter Board

SECOND: The location of the principal office or place of business

Home office 1501 72 St. No., Box 12248, St. Petersburg, Florida 33733
(Zip Code)

Kansas office _____
(Zip Code)

THIRD: The location of its registered office in Kansas is FIRST NATIONAL BANK BUILDING, SHAWNEE COUNTY, TOPEKA, KANSAS, 66603 c/o THE CORPORATION COMPANY, INC.,
(Number) (Street) (City) (County)

and the resident agent in charge thereof at such address is THE CORPORATION COMPANY, INC.,

FOURTH: The full nature and character of the business in which said corporation proposes to engage within the State of Kansas is to develop, design, assemble, repair, manufacture, sell, store and distribute all kinds of electronic or electro mechanical products, parts thereof, and supplies, accessories and equipment therefore, and all articles and things pertaining thereto or to the operation thereof or to any branch of the communications industry.

OFFICE OF SECRETARY OF STATE

Received of ECI MERGER CORP.

and deposited in the State Treasury fees on this application as follows:

December 29, 1971

Application fee	$25.00
Filing and recording fee	$2.50
Capitalization fee	$ 10.00

Elwill M. Shanahan
Elwill M. Shanahan — *Secretary of State.*

By William R. Stewart
William R. Stewart — *Assistant Secretary of State.*

APPROVED by Charter Board

this 29th day of December 19 71

Vern Miller
Vern Miller

Elwill M. Shanahan
Elwill M. Shanahan

Carl O'Leary — *State Charter Board.*

LEAVE BLANK

FILED

DEC 29 1971

SEC. OF STATE

JAN 3 1972

FIFTH: As indicated by the Articles of Incorporation, the corporate existence of the applying corporation will ~~expire in the state of incorporation on the~~ is perpetual

SIXTH: The names and post-office addresses of the officers, or trustees, and directors are:

OFFICERS Name and address:

PRESIDENT (see attached schedule)

VICE-PRESIDENT

SECRETARY

TREASURER

TRUSTEES OR DIRECTORS

SEVENTH: The amount of authorized capital stock of said corporation is $1000 divided into 1000 shares.

The amount of issued capital stock of said corporation is 1000

The amount of said issued capital stock the corporation proposes to invest in Kansas is 94

Assistant Vice President	Kenneth L. Carlson	1501 72 St. No. Box 12248	St. Petersburg, Flo
Assistant Vice President	Cameron L. Lusty	1501 72 St. No. Box 12248	St. Petersburg, Flo
Assistant Vice President	H. M. May	1501 72 St. No. Box 12248	St. Petersburg, Flo
Assistant Secretary	T. F. Peppel	1501 72 St. No. Box 12248	St. Petersburg, Flo
Assistant Secretary	James E. Rambo	Main & K Streets	Dayton, Ohio 45409
Assistant Treasurer	E. C. Nowak	Main & K Streets	Dayton, Ohio 45409
Director	R. S. Laing	Main & K Streets	Dayton, Ohio 45409
Director	John J. Hangen	Main & K Streets	Dayton, Ohio 45409
Director	D. E. Eckdahl	Main & K Streets	Dayton, Ohio 45409
Director	James E. Rambo	Main & K Streets	Dayton, Ohio 45409
Director	P. L. Scott	1501 72 St. No. Box 12248	St. Petersburg, Flo
Director	C. L. Lord	1501 72 St. No. Box 12248	St. Petersburg, Flo
Director	Paul G. Hansel	1501 72 St. No. Box 12248	St. Petersburg, Flo

Title	Name	Street & No.	City and Sta
President	Peter L. Scott	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President - Finance, Secretary and Treasurer	C. L. Lord	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President - Engineering	Paul G. Hansel	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President - Marketing	Morton S. Klein	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President - Manufacturing	T. W. Easton	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President	R. G. Walker	1501 72 St. No. Box 12248	St. Petersburg, Fl
Vice President	John J. Hangen	Main & K Streets	Dayton, Ohio 45409
Controller	Clyde Stoddard	1501 72 St. No. Box 12248	St. Petersburg, Fl
Assistant Vice President	Budd M. Cobb	1501 72 St. No. Box 12248	St. Petersburg, Fl
Assistant Vice President	Frank J. Ocnaschek	1501 72 St. No. Box 12248	St. Petersburg, Fl
Assistant Vice President	Kenneth H. Prall	1501 72 St. No. Box 12248	St. Petersburg, Fl

EIGHTH: A detailed statement of the assets and liabilities of the applicant corporation as of 11/30/71

NOTE: Statement must be dated within 90 days of date of application.

RESOURCES	DOLLARS	CTS.	LIABILITIES	DOLLARS	CTS.
BILLS RECEIVABLE	-		CAPITAL PAID UP	1000	
REAL ESTATE	3,610,626		SURPLUS	8003627	
PERSONAL PROPERTY	3015979		UNDIVIDED PROFITS	6267083	
STOCKS, BONDS AND OTHER SECURITIES	-		Note ~~BILLS~~ PAYABLE	4800000	
MERCHANDISE	11475920		ACCOUNTS PAYABLE	1939460	
CASH ON HAND	16500		BONDED INDEBTEDNESS	1359000	
DUE FROM BANKS	129632		ENCUMBRANCE ON REAL ESTATE OR PLANT		
ACCOUNTS RECEIVABLE	4145475		Accrued liability	2989026	
JUDGMENTS			Due parent corp.	155922	
Prepaid expenses	159159				
Investment in and receivable from subsidiary	2961827				
TOTAL	25515118		TOTAL	25515118	

STATE OF FLORIDA }
PINELLAS County, } SS.

C. T. Lord

CERTIFICATE OF INCORPORATION

OF

ECI MERGER CORP.

THE UNDERSIGNED, of the age of twenty-one years or over, in order to form a corporation pursuant to the provisions of Title 14A, Corporations, General, of the New Jersey Statutes, hereby executes the following Certificate of Incorporation:

FIRST: The name of the Corporation is ECI MERGER CORP.

SECOND: The purpose of the Corporation is to engage in any activity within the lawful business purposes for which corporations may be organized under the New Jersey Business Corporation Act.

THIRD: The Corporation is authorized to issue one thousand (1,000) shares of Common Stock of the par value of $1.00 per share.

FOURTH: The address of the initial registered office of the Corporation is 15 Exchange Place, Jersey City, New Jersey 07302, and the name of the Corporation's initial registered agent at that office is The Corporation Trust Company.

FIFTH: The number of directors constituting the initial board of directors shall be seven; and the

names and addresses of the directors are as follows:

Names	Addresses
R. S. Laing	Main & K Streets Dayton, Ohio 45409
J. J. Hangen	Main & K Streets Dayton, Ohio 45409
D. E. Eckdahl	Main & K Streets Dayton, Ohio 45409
J. E. Rambo	Main & K Streets Dayton, Ohio 45409
P. L. Scott	1501 72 Street No. Box 12248 St. Petersburg, Florida 33733
C. L. Lord	1501 72 Street No. Box 12248 St. Petersburg, Florida 33733
P. G. Hansel	1501 72 Street No. Box 12248 St. Petersburg, Florida 33733

SIXTH: The name and address of the incorporator of the Corporation is as follows:

Alfred J. Ross — 53 Wall Street, New York, New York 10005

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation this 2nd day of December, 1971.

Alfred J. Ross

Alfred J. Ross, Incorporator

S155742

FILED AND RECORDED

DEC - 3 1971

Paul Sherman

SECRETARY OF STATE

0001 1653

LICENSE FEE 25.00

FILING FEE 35.00

RECORDING —

5 CERTIFYING COPY 50.00

—

SEC. OF STATE —

#110.00

W.S

CORPORATION TRUST COMPANY
~~25~~ Park Ave., New York City, N. Y.

95465 1

0081 1648

CERTIFICATE OF MERGER

OF

ELECTRONIC COMMUNICATIONS, INC.

INTO

ECI MERGER CORP.

To: The Secretary of State

State of New Jersey

Pursuant to the provisions of Section 14A:10-1 and Section 14A:10-4, Corporations, General, of the New Jersey Statutes, the undersigned corporations hereby execute the following Certificate of Merger.

ARTICLE ONE

Electronic Communications, Inc., a corporation organized and existing under the laws of the State of New Jersey, shall be merged into ECI Merger Corp., a corporation organized and existing under the laws of the State of New Jersey, which is hereinafter designated as the surviving corporation.

The address of ECI Merger Corp.'s registered office is 15 Exchange Place, Jersey City, New Jersey 07302 and the name of its registered agent at such address is The Corporation Trust Company.

The total authorized capital stock of ECI Merger Corp. shall be 1,000 shares of Common Stock, par value $1.00 per share.

ARTICLE TWO

The Plan of Merger, attached hereto as Exhibit A, was approved by the shareholders of Electronic Communications, Inc. at a special meeting of shareholders and by the shareholders of ECI Merger Corp. by a written consent in lieu of special meeting of shareholders pursuant to Subsection 14A: 5-6(1) of the New Jersey Business Corporation Act, which written consent represents all of the issued and outstanding shares of ECI Merger Corp., in each case in the manner prescribed by the New Jersey Business Corporation Act.

ARTICLE THREE

As to each corporation whose shareholders are entitled to vote, the number of shares outstanding are:

Name of Corporation	Total Number of Shares Outstanding
Electronic Communications, Inc.	899,841
ECI Merger Corp.	1,000

ARTICLE FOUR

As to each corporation whose shareholders are entitled to vote, the number of shares voted for and against the plan, in the case of Electronic Communications, Inc. at a special meeting of shareholders and in the case of ECI Merger Corp. by a written consent in lieu of special meeting of

shareholders, are, respectively:

Name of Corporation	Total Shares Voted For	Total Shares Voted Against
Electronic Communications, Inc.	898,010	None
ECI Merger Corp.	1,000	None

IN WITNESS WHEREOF each of the undersigned corporations has caused this Certificate of Merger to be executed in its name by a Vice President as of the 29th day of December, 1971.

ELECTRONIC COMMUNICATIONS, INC.

By J. J. Hangen
J. J. Hangen, Vice President

ECI MERGER CORP.

By J. J. Hangen
J. J. Hangen, Vice President

PLAN OF MERGER

OF

ELECTRONIC COMMUNICATIONS, INC.

INTO

ECI MERGER CORP.

FIRST: The names of the constituent corporations are Electronic Communications, Inc. and ECI Merger Corp. ECI Merger Corp. shall be the surviving corporation.

SECOND: Electronic Communications, Inc. shall be merged into ECI Merger Corp., such merger to be effective upon the filing of a Certificate of Merger in the office of the Secretary of State of New Jersey.

THIRD: The Certificate of Incorporation of the surviving corporation shall be the Certificate of Incorporation of ECI Merger Corp., except that Article FIRST thereof shall be hereby amended as of the effective date of the merger to state in its entirety as follows:

"FIRST: The name of the corporation is ELECTRONIC COMMUNICATIONS, INC."

FOURTH: (a) The manner and basis of converting the shares of each constituent corporation into the shares of the surviving corporation, or cash or other consideration to be paid or delivered in exchange for shares of the constituent corporations, is as follows:

Upon the effective date of the merger:

(1) Each issued and outstanding share of Electronic Communications, Inc. Common Stock held of record by any holder thereof other than The National Cash Register Company shall forthwith be cancelled and in lieu thereof the holder of such Common Stock shall, subject to the provisions of subparagraph (b)

below, be entitled to receive cash at ~~the rate of~~ $26.00 per share for each such share held, except to the extent any such holder may perfect his rights as a dissenting shareholder under Chapter 11 of Title 14A, Corporations, General, of the New Jersey Statutes.

(2) Each issued and outstanding share of Electronic Communications, Inc. Common Stock held of record by The National Cash Register Company shall forthwith be cancelled and no shares issued or cash paid in lieu thereof; and

(3) The issued and outstanding shares of ECI Merger Corp. Common Stock (all of which shares are held of record by The National Cash Register Company and which consist of one thousand (1,000) shares of Common Stock, par value $1.00 per share) shall be the issued and outstanding shares of the surviving corporation.

(b) From and after the effective date of the merger, the holders of certificates of Electronic Communications, Inc. Common Stock shall cease to have any rights with respect to such stock, except to the extent any such holder may perfect his rights as a dissenting shareholder under Chapter 11 of Title 14A, Corporations, General, of the New Jersey Statutes. After the effective date of the merger, each holder of record, other than The National Cash Register Company, of an outstanding certificate or certificates theretofore representing shares of Electronic Communications, Inc. Common Stock, shall be entitled, except as aforesaid, upon surrender of the same to the surviving corporation duly endorsed as the surviving corporation may require, to receive in exchange therefor a check in an amount equal to the number of shares theretofore represented by such certificate or certificates multiplied by $26.00.

Dated as of December 6, 1971.

STATE OF NEW JERSEY)
)SS.:
COUNTY OF HUDSON)

PATRICK AGOSTINO, being duly sworn, deposes and says:

That he is Assistant Secretary of REGISTRAR AND TRANSFER COMPANY, Transfer Agent for ELECTRONIC COMMUNICATIONS, INC.

That on the 8th day of December 1971, at five o'clock P. M. (Eastern Standard Time), to the stockholders of record as of the close of business December 7, 1971, he caused to be mailed at the United States Post Office, Washington and Montgomery Streets, Jersey City, New Jersey the following: Exhibit "A", Letter to shareholder, Plan of Merger and Notice of Special Meeting combined.

The above exhibits were enclosed in sealed, postpaid First Class Mail Envelopes addressed to all the holders as shown by the records maintained by REGISTRAR AND TRANSFER COMPANY as Transfer Agent.

Patrick Agostino

Sworn to before me this
14th day of December 1971.

Charles A. Powers

CHARLES A. POWERS
Notary Public of N.J.
My Commission Expires

ELECTRONIC COMMUNICATIONS, INC.

SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 29, 1971

OATH OF JUDGES

STATE OF OHIO,

COUNTY OF MONTGOMERY, SS:

The undersigned, duly appointed Judges at the special meeting of shareholders of Electronic Communications, Inc. held December 29, 1971, being severally and duly sworn, do solemnly swear that we will fairly and impartially perform our duties as Judges and will faithfully and diligently canvass the meeting, decide upon the qualifications of the voters, conduct the voting at the meeting and honestly and truthfully report and certify the results of the voting.

Dorothy M. Baker

Mildred M. Newman

Sworn to and subscribed
before me this 29th day
of December, 1971.

William H. Talmage

Notary Public

William H. TALMAGE, Attorney At Law
Notary Public - State of Ohio
My commission has no expiration date.

ELECTRONIC COMMUNICATIONS, INC.

SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 29, 1971

REPORT OF JUDGES ON EXISTENCE OF QUORUM

The undersigned, duly appointed Judges for the special meeting of shareholders of Electronic Communications, Inc. held December 29, 1971, hereby report that:

1. 899,841 shares of Common Stock, $1.00 per share, of Electronic Communications, Inc. were outstanding on December 7, 1971, the record date, and are entitled to vote at the meeting.

2. 898,010 such shares are present in person and/or are represented by proxy at the meeting.

3. A quorum is present at the meeting.

Dorothy M. Baker

Mildred M. Newman

Sworn to and Subscribed
before me this 29th day
of December, 1971.

William H. Talmage

WILLIAM H. TALMAGE, Attorney At Law
Notary Public - State of Ohio
My commission has no expiration date,
Section 147.03 R. C.

PROXY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a holder of eight hundred ninety eight thousand and ten (898,010) shares of the common stock, $1.00 par value, of ELECTRONIC COMMUNICATIONS, INC., a New Jersey corporation, does hereby constitute and appoint R. S. Laing, J.J. Hangen and J.E. Rambo, or any of them, its true and lawful attorneys in fact, with full power of substitution, for it and in its name, place and stead to vote the shares of said stock standing in its name as its proxies at the special meeting of the shareholders of the said corporation to be held at the offices of The National Cash Register Company, Main and K Streets, Dayton, Ohio, on December 29, 1971, at 10:00 o'clock A.M., Eastern Standard Time, or on such other day as the meeting may thereafter be held by adjournment or otherwise, according to the number of votes which the undersigned would be entitled to cast at such meeting, hereby granting the said attorneys full power and authority to act for it and in its name at the said meeting, in voting said shares in favor of the approval and adoption of the Plan of Merger annexed to the Notice of such meeting as fully as the undersigned could do if personally present, hereby expressly ratifying and confirming all that its said attorneys may do in its name, place and stead.

IN WITNESS WHEREOF, The National Cash Register Company has caused this proxy to be signed in its corporate name by its Chairman this 27th day of December, 1971.

THE NATIONAL CASH REGISTER COMPANY

By Robert J. Kleiman
Chairman

ELECTRONIC COMMUNICATIONS, INC.

SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 29, 1971

The undersigned, as attorney and proxy, hereby votes the number of shares of Common Stock, $1.00 par value, of Electronic Communications, Inc. set forth below in favor of the approval and adoption of the Plan of Merger of Electronic Communications, Inc. and ECI Merger Corp., a copy of which Plan accompanied the Notice of the meeting.

J. E. Rambo

Number of shares of Common Stock voted 898,010

ELECTRONIC COMMUNICATIONS, INC.

SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 29, 1971

REPORT OF JUDGES

The undersigned, duly appointed Judges of the special meeting of shareholders of Electronic Communications, Inc. held December 29, 1971, hereby certify that the numbers of shares of Common Stock, $1.00 per share, of Electronic Communications, Inc. voted in favor of and against the approval and adoption of the Plan of Merger of Electronic Communications, Inc. and ECI Merger Corp., a copy of which Plan accompanied the Notice of the meeting, were, respectively, as follows:

TOTAL SHARES VOTED IN FAVOR	TOTAL SHARES VOTED AGAINST
898,010	None

Dorothy M. Baker

Mildred M. Newman

Sworn to and Subscribed
before me this 29th day
of December, 1971.

William H. Talmage

WILLIAM H. TALMAGE, Attorney At Law
Notary Public - State of Ohio
My commission has no expiration date.
Section 147.03 R.C.

ELECTRONIC COMMUNICATIONS, INC.

Written Consent in Lieu of Special
Meeting of the Board of Directors

The undersigned, being all of the directors of Electronic Communicatior Inc., a New Jersey corporation, acting without a meeting pursuant to Sectior 14 A:6-7(2) of the New Jersey Business Corporation Law, as amended, do hereby consent to the following action:

Adoption of the following preambles and resolution:

WHEREAS, since 1963 the Company has maintained a Retirement Income Plan for Salaried Employees and has administered the same under an Agreement of Trust between the Company and Chemical Bank New York Trust Company dated April 5, 1963; and

WHEREAS, effective on or about December 29, 1971, the Company will be merged with ECI Merger Corp., and all of the assets and employees of the Company will be transferred to ECI Merger Corp., which will change its nam to Electronic Communications, Inc. and continue the business without interruption thereafter except for the contemplated transfer of the Standard Precis Division of the Company to The National Cash Register Company; and

WHEREAS, It is deemed to be in the best interest of the employees of the Company, the successor corporation and The National Cash Register Compan that the said Plan be continued without interruption notwithstanding the merge and to that end it is deemed advisable to make certain amendments to the Plan;

NOW, THEREFORE, BE IT RESOLVED THAT:

(1) Article I, Paragraph (1), of the Plan is amended to read as follow

"'Company' shall mean, individually, Electronic Communications, Inc. and any subsidiary or affiliated company which elects to adopt the Plan with the consent of Electronic Communications, Inc. and shall include any company which succeeds to all or any portion of a company by reason of merger, consolidation, sale, transfer or assignment of all or any part of the company's property or by reason of change in ownership of the company, provided that such successor company shall adopt the Plan."

(2) The Plan is amended by adding the following new Article at the en

thereof:

"Article VII -- Withdrawal of a Company

1. If at any time any Company included in this Plan shall cease to participate in the Plan for any reason, the Board of Directors shall provide for the withdrawal or segregation of that Company's pro rata share of the Fund. The amount of such pro rata share shall be determined as of the effective date of such withdrawal on the basis of the value of the accrued benefit credits of the participants, retired participants and beneficiaries of that Company, adjusted for any years in which contributions were reduced or suspended by that Company. Such determination shall be made by the Committee on the recommendation of an actuary selected by it. The Trustee shall select the assets of the Trust to be withdrawn or segregated in the amount of that Company's pro rata share so determined, and its valuation of said assets for that purpose shall be conclusive.

2. If the withdrawal of such Company from this Plan has the effect of a termination of the Plan so far as that Company and its employees are concerned, then the rights of that Company's participants, retired participants, and beneficiaries shall be governed by the provisions of paragraph 3 of Article V hereof.

3. If the Company which ceases to participate in the Plan and which withdraws its pro rata share of the assets from the Fund continues the Plan or adopts a substantially similar plan for the benefit of its employees, the withdrawal from this Plan by that Company shall not be regarded as a termination of the Plan so far as that Company and its employees are concerned, the provisions

of paragraph 3 of Article V shall be deemed inapplicable; and the rights of that Company's participants, retired participants and beneficiaries shall be governed in accordance with the provisions of the Plan so continued, or substantially similar plan so adopted, by that Company for their benefit as if no withdrawal from this Plan had taken place."

(3) The said Trust Agreement be, and it hereby is, amended by addi the following new Section at the end thereof:

"WITHDRAWAL OF A COMPANY

10.1 If at any time any Company included in the Plan shall cease to participate in the Plan for any reason, the Trustee shall withdraw or segregate assets of the Fund in an amount determined by the Committee as specified in the Plan, and the Trustee shall deliver such assets, or the proceeds of a sale thereof, to such person or persons, including the Committee, as the Board of Directors shall direct. The Trustee shall select the assets so to be withdrawn or segregated and its valuation of them for that purpose shall be conclusive."

(4) The officers of the Company be, and they hereby are, authorized and instructed to notify Chemical Bank New York Trust Company, as Truste under the 1963 Trust Agreement, of the changes in the Plan and Trust and to execute such documents and take such other action as may be necessary or convenient to effectuate the foregoing resolutions.

Dated this 28th day of December, 1971.

R. S. Laing

P. L. Scott

J. J. Hangen

C. L. Lord

D. E. Eckdahl

P. G. Hansel

J. E. Rambo

Application for Authority to Engage in Business in the State of Kansas as a Foreign Corporation

F-5942

DEC 27 3 08100 ****375

TO THE CHARTER BOARD OF THE STATE OF KANSAS:

ECI MERGER CORP., a corporation,

organized under the laws of the State of New Jersey applies for permission to engage in business in the State of Kansas, and submits the following statement, to wit:

FIRST: A certified copy of its Charter or Articles of Incorporation with certification dated within 60 days prior to presentation of application to Charter Board

SECOND: The location of the principal office or place of business

Home office 1501 72 St. No., Box 12248, St. Petersburg, Florida 33733
(Zip Code)

Kansas office
(Zip Code)

THIRD: The location of its registered office in Kansas is FIRST NATIONAL BANK BUILDING, (Number)
SHAWNEE COUNTY, TOPEKA, KANSAS, 66603 c/o THE CORPORATION COMPANY, INC.,
(Street) (City) (County)
and the resident agent in charge thereof at such address is THE CORPORATION COMPANY, INC.,

FOURTH: The full nature and character of the business in which said corporation proposes to engage within the State of Kansas is to develop, design, assemble, repair, manufacture, sell, store and distribute all kinds of electronic or electro mechanical products, parts thereof, and supplies, accessories and equipment therefore, and all articles and things pertaining thereto or to the operation thereof or to any branch of the communications industry.

OFFICE OF SECRETARY OF STATE

Received of ECI MERGER CORP.

and deposited in the State Treasury fees on this application as follows:

December 29, 1971

Application fee	$25.00
Filing and recording fee	$2.50
Capitalization fee	$ 10.00

Elwill M. Shanahan
Secretary of State.

By William R. Stewart
Assistant Secretary of State.

APPROVED by Charter Board

this 29th day of December 19 71

Vern Miller
Vern Miller

Elwill M. Shanahan

Carl O'Leary
State Charter Board.

LEAVE BLANK

FILED

DEC 29 1971

SECRETARY OF STATE

JAN 3 1972

JOINT PLAN OF MERGER
AND
AGREEMENT OF MERGER
BETWEEN
E-SYSTEMS, INC.
AND
ELECTRONIC COMMUNICATIONS, INC.
WITH
E-SYSTEMS, INC.
AS
SURVIVING CORPORATION

WHEREAS, E-Systems, Inc., hereinafter called E-Systems or the Surviving Corporation, is a Delaware corporation with its principal place of business at Dallas, Texas; and

WHEREAS, Electronic Communications, Inc., hereinafter called ECI, is a New Jersey corporation with its principal place of business at St. Petersburg, Florida; and

WHEREAS, the aggregate number of shares that ECI is authorized to issue is 1,000 common shares at a par value of $1.00 each, all of which shares are outstanding and are owned legally and beneficially by E-Systems; and

WHEREAS, E-Systems owns 100% of ECI outstanding shares and desires to liquidate ECI and to merge ECI into E-Systems pursuant to the applicable statutes of Delaware and New Jersey, to cancel all outstanding shares of ECI, and to combine the properties, businesses, assets, and liabilities of both companies into one surviving corporation which shall be E-Systems, Inc.; and

WHEREAS, E-Systems desires to utilize Internal Revenue Code §§332 and 334(b)(2) so that taxable gain or loss is not recognized on this transaction of liquidation and merger, and so that the property distributed in complete liquidation of ECI will be received by E-Systems at a basis equal to the adjusted basis of all outstanding ECI shares purchased in their entirety by E-Systems for $19 million.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto in accordance with the applicable provisions of the laws of the States of Delaware and New Jersey do hereby agree as follows:

1. Merger. ECI shall be merged with and into E-Systems, and E-Systems does hereby merge ECI with and into itself. On and after the effective date of this contemplated merger:

(a) E-Systems shall be the Surviving Corporation, and shall continue to exist as a domestic corporation under the laws of Delaware, with all of the rights and obligations of such surviving domestic corporation as are provided by Delaware Corporation Law.

(b) ECI, as the corporation to be liquidated and merged, shall cease to exist, and its property shall be distributed to E-Systems as the Surviving Corporation.

2. Articles of Incorporation; Bylaws. The Articles of Incorporation of E-Systems, as amended, and the Bylaws of

E-Systems shall continue as the Articles of Incorporation and Bylaws of the Surviving Corporation.

3. Directors. The Directors of E-Systems shall be the Directors of the Surviving Corporation until their successors are duly elected and qualified under the Bylaws of the Surviving Corporation.

4. Shares of Survivor. No change in the capital accounts of E-Systems or in the number or constituent terms of any securities of E-Systems shall be effected by the merger.

5. Cancellation of ECI Shares. All authorized and outstanding common shares of ECI, such shares being owned in their entirety by E-Systems, and all rights in respect thereof, shall be canceled forthwith on the effective date of the merger, and the certificates representing such shares shall be surrendered and canceled.

6. Indebtedness of NCR Corporation to ECI. It is hereby agreed that the amount of $1 million owed by NCR Corporation, Dayton, Ohio, to ECI was deemed as of the closing of the sale of ECI to E-Systems, to be an indebtedness owed by E-Systems to ECI, and that such indebtedness shall survive the liquidation and merger contemplated by this Agreement.

7. Authorization. The proper officers of each corporation shall, and are hereby authorized and directed to, perform all such further acts and execute and deliver to the proper authori-

ties for filing all documents necessary or proper to render effective the merger contemplated by this Plan and Agreement.

8. Qualification. The proper officers of ESY shall, and are hereby authorized and directed to, perform all such further acts and execute and deliver to the proper authorities for filing all documents necessary or proper to duly qualify E-Systems to do business in those jurisdictions where ECI would have had to have been so qualified.

9. Effect of Merger. When the merger becomes effective, all the rights, privileges, powers, and franchises and all property and assets of every kind and description of ECI shall be vested in and held and enjoyed by the Surviving Corporation, without further act or deed; and all the estates and interests of every kind of ECI, including all debts due to either of them on whatever account, shall be as effectually the property of the Surviving Corporation as they were of ECI; and the title to any real estate vested by deed or otherwise in ECI shall not revert or be in any way impaired by reason of this merger; and all rights of creditors and all liens upon any property of ECI shall be preserved unimpaired; and all debts, liabilities, and duties of ECI shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if such debts, liabilities, and duties had been incurred or contracted by it.

To the extent permitted by law, from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, ECI shall execute and deliver, or cause to be executed and delivered, all such deeds and instruments, and to take, or cause to be taken, such further or other action as the Surviving Corporation may deem necessary or desirable in order to vest in and conform to the Surviving Corporation title to, and possession of, any property of ECI acquired or to be acquired by reason of or as a result of the merger herein provided for, and otherwise to carry out the intent and purposes hereof; and the proper officers and directors of ECI and the proper officers and directors of the Surviving Corporation are fully authorized, in the name of ECI or otherwise, to take any and all such action.

10. Abandonment of Plan. Notwithstanding any of the provisions of this Agreement, the Directors of E-Systems at any time prior to the effective date of the merger herein contemplated, and for any reason they may deem sufficient and proper, shall have the power and authority to abandon and refrain from making effective the contemplated merger as set forth herein; in which case this Plan and Agreement shall thereby be canceled and become null and void.

IN WITNESS WHEREOF, E-Systems and ECI have caused this Agreement to be executed in their corporate names by their

respective officers, as resolved by majorities of their board of directors, on this 1st day of September, 1976.

E-SYSTEMS, INC.

By _____
John W. Dixon, President

Attest:

_____
James W. Crowley, Secretary

ELECTRONIC COMMUNICATIONS, INC.

By _____
Virgil B. Pettigrew, Vice President

Attest:

_____
Patsy J. Martin, Asst. Secretary

Application for Authority to Engage in Business in the State of Kansas as a Foreign Corporation

F-5942

DEC 27 3 08100 ****375

TO THE CHARTER BOARD OF THE STATE OF KANSAS:

ECI MERGER CORP., a corporation,

organized under the laws of the State of New Jersey applies for permission to engage in business in the State of Kansas, and submits the following statement, to wit:

FIRST: A certified copy of its Charter or Articles of Incorporation with certification dated within 60 days prior to presentation of application to Charter Board

SECOND: The location of the principal office or place of business

Home office 1501 72 St. No., Box 12248, St. Petersburg, Florida 33733
(Zip Code)

Kansas office
(Zip Code)

THIRD: The location of its registered office in Kansas is FIRST NATIONAL BANK BUILDING,
(Number)

SHAWNEE COUNTY, TOPEKA, KANSAS, 66603 c/o THE CORPORATION COMPANY, INC.,
(Street) (City) (County)

and the resident agent in charge thereof at such address is THE CORPORATION COMPANY, INC.,

FOURTH: The full nature and character of the business in which said corporation proposes to engage within the State of Kansas is to develop, design, assemble, repair, manufacture, sell, store and distribute all kinds of electronic or electro mechanical products, parts thereof, and supplies, accessories and equipment therefore, and all articles and things pertaining thereto or to the operation thereof or to any branch of the communications industry.

OFFICE OF SECRETARY OF STATE

Received of ECI MERGER CORP.

and deposited in the State Treasury fees on this application as follows:

December 29, 1971

Application fee	$25.00
Filing and recording fee	$2.50
Capitalization fee	$ 10.00

Elwill M. Shanahan
Elwill M. Shanahan *Secretary of State.*

By William R. Stewart
William R. Stewart *Assistant Secretary of State.*

APPROVED by Charter Board

this 29th day of December 19 71

Vern Miller
Vern Miller

Elwill M. Shanahan
Elwill M. Shanahan

Carl O'Leary *State Charter Board.*

LEAVE BLANK

FILED

DEC 29 1971

SEC. OF STATE

JAN 3 1972

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

ELECTRONIC COMMUNICATIONS, INC.

INTO

E-SYSTEMS, INC.

* * * * *

E-Systems, Inc., a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That this corporation was incorporated on the 28th day of December, 1964, pursuant to the Corporation Law of the State of Delaware.

SECOND: That this corporation owns all of the outstanding shares of the stock of Electronic Communications, Inc., a corporation incorporated on the 3rd day of December, 1971, pursuant to the Corporation Law of the State of New Jersey.

THIRD: That this corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 25th day of August, 1976, determined to and did merge into itself said Electronic Communications, Inc.:

> RESOLVED: That the Corporation hereby approves and adopts a Joint Plan of Merger and Agreement of Merger of Electronic Communications, Inc., a wholly-owned subsidiary of the Corporation, pursuant to applicable provisions of the New Jersey Corporation Law, such Plan to include orderly liquidation of the subsidiary pursuant to Section 332 of the Internal Revenue Code in order to establish a basis in the assets of the merged corporation pursuant to Section 334(b)(2) of the Internal Revenue Code.

RESOLVED: That a copy of the Joint Plan of Merger and Agreement of Merger in final form shall be retained by the Secretary of the Corporation as an exhibit to these minutes.

FURTHER RESOLVED: That the officers of the Corporation are each authorized and directed to take such actions and enter into such agreements and make such statutory filings and reports as may be necessary to effect the merger of Electronic Communications, Inc., and E-Systems, Inc., with E-Systems, Inc., the surviving corporation, in order that the business of Electronic Communications, Inc., may be operated as a division of E-Systems, Inc.

IN WITNESS WHEREOF, said E-Systems, Inc. has caused this certificate to be signed by James W. Crowley, its Vice President, Secretary and General Counsel, and attested by Patsy J. Martin, its Assistant Secretary, this 1st day of September, 1976.

E-SYSTEMS, INC.

By _____
James W. Crowley
Vice President, Secretary
and General Counsel

ATTEST:

_____
Patsy J. Martin,
Assistant Secretary

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of April 2, 1995 (the "Agreement"), by and among E-SYSTEMS, INC., a Delaware corporation (the "Company"), RTN ACQUISITION CORPORATION, a Delaware corporation (the "Purchaser"), and RAYTHEON COMPANY, a Delaware corporation ("Parent"). The Company and the Purchaser are hereinafter sometimes collectively referred to as the "Constituent Corporations."

RECITALS

WHEREAS, the Boards of Directors of Parent, the Purchaser and the Company have each approved the acquisition of the Company by Parent upon the terms and subject to the conditions set forth herein;

WHEREAS, in furtherance of such acquisition, the Boards of Directors of Parent, the Purchaser and the Company have each approved the merger of the Purchaser with and into the Company in accordance with the terms of this Agreement and the General Corporation Law of the State of Delaware (the "DGCL") and with any other applicable law; and

WHEREAS, the Board of Directors of the Company (the "Board") has, in light of and subject to the terms and conditions set forth herein, (i) determined that (x) the consideration to be paid for each Share in the Offer and the Merger (as hereinafter defined) is fair to the stockholders of the Company, and (y) the Offer and the Merger are otherwise in the best interests of the Company and its stockholders, and (ii) resolved to approve and adopt this Agreement and the transactions contemplated hereby and to recommend acceptance of the Offer and approval and adoption by the stockholders of the Company of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I

THE OFFER

Section 1.01. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with

Article IX hereof and none of the events set forth in Annex I hereto shall have occurred and be existing, as promptly as practicable (but in no event later than five business days from the date hereof) Purchaser shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder, the "Exchange Act")) an offer to purchase all outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of the Company including the associated Preferred Stock Purchase Rights issued pursuant to the Rights Agreement dated as of October 7, 1994 (the "Rights Agreement") between the Company and Society National Bank, as Rights Agent (the "Rights"), at a price of $64.00 per Share net to the seller in cash (the "Offer") and, subject to the conditions of the Offer, shall use all reasonable efforts to consummate the Offer. Except where the context otherwise requires, all references herein to the Shares shall include the associated Rights. The obligation of the Purchaser to consummate the Offer and to accept for payment and to pay for any Shares tendered pursuant thereto shall be subject to only those conditions set forth in Annex I hereto.

(b) Without the prior written consent of the Company, the Purchaser shall not (i) decrease the price per Share or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought, (iii) amend or waive satisfaction of the Minimum Condition (as defined in Annex I) or (iv) impose additional conditions to the Offer or amend any other term of the Offer in any manner adverse to the holders of Shares. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and purchase, as soon as permitted under the terms of the Offer, all Shares validly tendered and not withdrawn prior to the expiration of the Offer.

(c) Each of Parent and the Purchaser, on the one hand, and the Company, on the other hand, agrees promptly to correct any information provided by it for use in the documents filed by Parent and the Purchaser with the Securities and Exchange Commission (the "SEC") in connection with the Offer (the "Offer Documents") if and to the extent that it shall have become false or misleading in any material respect, and Parent and the Purchaser further agree to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to stockholders of the Company, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review and comment upon any Offer Documents to be filed with the SEC prior to any such filing.

(d) The Offer shall be made by means of an offer to purchase which shall provide for an initial expiration date of 20 business days from the date of commencement. Parent and the Purchaser agree that the Purchaser shall not terminate or withdraw the Offer or extend the expiration date of the Offer unless at the expiration date of the Offer the conditions to the Offer described in Annex I hereto shall not have been satisfied or earlier waived. If at the expiration date of the Offer, the conditions to the Offer described in Annex I hereto shall not have been satisfied or earlier waived but, in the reasonable belief of Parent, may be satisfied prior to September 30, 1995, the Purchaser shall extend the expiration date of the Offer for an additional period or periods of time until the earlier of (i) the date such conditions are satisfied or earlier waived and the Purchaser becomes obligated to accept for payment and pay for Shares tendered pursuant to the Offer or (ii) this Agreement is terminated in accordance with its terms; provided that this sentence shall not be applicable in the event the conditions set forth in paragraph (c)(ii) of Annex I hereto shall not have been satisfied or earlier waived at the expiration date of the Offer. Any individual extension of the Offer shall be for a period of no more than 15 business days.

Section 1.02. Company Actions. (a) The Company hereby approves of and consents to the Offer and represents that (i) the Board, at a meeting duly called and held, has, in light of and subject to the terms and conditions set forth herein, [unanimously] (x) determined that the consideration to be paid for each Share in the Offer and the Merger is fair to the stockholders of the Company and the Offer and the Merger are otherwise in the best interests of the Company and its stockholders and (y) approved and adopted this Agreement and the transactions contemplated hereby, including the Offer and the Merger, and resolved to recommend acceptance of the Offer and approval and adoption of this Agreement by the stockholders of the Company and (ii) CS First Boston Corporation and Morgan Stanley & Co. Incorporated, the Company's financial advisors, have each rendered to the Board their opinion that the per share consideration to be received by the stockholders of the Company pursuant to the Offer and the Merger is fair to such stockholders from a financial point of view.

(b) The Company hereby agrees promptly to prepare and, after affording the Purchaser a reasonable opportunity to review and comment thereon, to file with the SEC and to mail to its stockholders, a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Offer (together with any amendments or supplements thereto, the "Schedule 14D-9") containing the recommendation described in Section 1.02(a) hereof and to disseminate the Schedule 14D-9 as required by Rule 14d-9

promulgated under the Exchange Act; provided, however, that, subject to the provisions of Article IX, such recommendation may be withdrawn, modified or amended to the extent that the Board deems it necessary to do so in the exercise of its fiduciary and other legal obligations after consultation with outside counsel. Each of the Company, on the one hand, and Parent and the Purchaser, on the other hand, agree promptly to correct any information provided by either of them for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to the stockholders of the Company, in each case as and to the extent required by applicable federal securities laws.

(c) In connection with the Offer, the Company will furnish the Purchaser with such information (which will be treated and held in confidence by the Purchaser in accordance with the terms of the Confidentiality Agreement (as hereinafter defined)) and assistance as the Purchaser or its agents or representatives may reasonably request in connection with the preparation of the Offer and communicating the Offer to the record and beneficial holders of the Shares.

Section 1.03. Directors. (a) Subject to compliance with the DGCL, the Company's Certificate of Incorporation and other applicable law, promptly upon the payment by the Purchaser for Shares purchased pursuant to the Offer, and from time to time thereafter, the Company shall, upon request of Parent, promptly use its best efforts to take all actions necessary to cause a majority of the directors of the Company to consist of Parent's designees, including by accepting the resignations of those incumbent directors designated by the Company or increasing the size of the Board and causing Parent's designees to be elected. The date on which Purchaser's designees constitute at least a majority of the Board is herein referred to as the "Control Date."

(b) The Company's obligations to appoint Parent's designees to the Board shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 thereunder, if applicable. The Company shall promptly take all actions required pursuant to such Section and Rule in order to fulfill its obligations under this Section 1.03 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under such Section and Rule in order to fulfill its obligations under this Section 1.03. Parent will supply any information with respect to itself and its

designees, officers, directors and affiliates required by such Section and Rule to the Company.

(c) Following the election or appointment of Parent's designees pursuant to this Section 1.03 and prior to the Effective Time (as hereinafter defined), any amendment or termination of this Agreement by the Company or the Board, any extension by the Company or the Board, of the time for the performance of any of the obligations or other acts of Parent or the Purchaser or waiver of any of the Company's rights hereunder, will require the concurrence of, and shall be effective if and only if approved by, a majority of the directors of the Company then in office who are not affiliated with Parent and were not designated by Parent and (i) were also non-management directors of the Company on the date hereof or (ii) were elected subsequent to the date hereof by, or on the recommendation of (x) directors who were directors on the date hereof or (y) the Continuing Directors (the persons referred to in clauses (i) and (ii) being the "Continuing Directors"), even if such majority of the Continuing Directors does not constitute a majority of all directors then in office. Until the Effective Time, the Board shall include three Continuing Directors (subject to their availability and willingness to serve).

(d) During the five-year period immediately following the Control Date, the Company shall maintain an Advisory Board for the purpose of consulting on matters related to the business of the Company. The members of the Advisory Board shall be chosen by mutual agreement of the Chief Executive Officer of the Company and the Chief Executive Officer of Parent from among the individuals who constitute the Board on the date hereof, including any of the Continuing Directors, and representatives of Parent. Parent shall provide or cause the Company to provide compensation and benefits to the members of the Advisory Board that, in the aggregate, are no less favorable than those provided to the Company's directors as of the date hereof. Purchaser agrees that it will pay, or will cause the Surviving Corporation to pay, in accordance with the terms of the director retirement policy and the Executive Perquisites for Outside Board Directors of the Company in effect as of the date hereof, the retirement benefit and perquisites provided for therein to those directors who are directors of the Company on the date hereof and who, after either the Control Date or the Effective Time, do not continue on the Board or become members of the Advisory Board.

ARTICLE II

THE MERGER

Section 2.01. The Merger. (a) In accordance with the provisions of this Agreement and the DGCL, at the Effective Time, the Purchaser shall be merged with and into the Company (the "Merger"), and the Company shall be the surviving corporation (hereinafter sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Delaware. At the Effective Time the separate existence of the Purchaser shall cease.

(b) The name of the Surviving Corporation shall be "E-Systems, Inc."

(c) The Merger shall have the effects on the Company and the Purchaser as Constituent Corporations of the Merger as provided under the DGCL. As of the Effective Time, the Company shall be a wholly-owned subsidiary of Parent.

Section 2.02. Effective Time. The Merger shall become effective at the time of filing of, or at such later time specified in, a certificate of merger (the "Certificate of Merger") (or, if applicable, a certificate of ownership and merger), in the form required by and executed in accordance with the DGCL, filed with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") in accordance with the provisions of Section 251 of the DGCL (or in the event Section 3.04 hereof is applicable, Section 253 of the DGCL). The date and time when the Merger shall become effective is herein referred to as the "Effective Time."

Section 2.03. Certificate of Incorporation and By-Laws of Surviving Corporation. Subject to Section 2.01(b), the Certificate of Incorporation and By-Laws of the Purchaser shall be the Certificate of Incorporation and By-Laws of the Surviving Corporation until thereafter amended as provided by law.

Section 2.04. Directors and Officers of Surviving Corporation. (a) Subject to applicable law, the directors of the Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

(b) The officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation and shall hold office until their respective

successors are duly elected and qualified, or their earlier death, resignation or removal.

Section 2.05. Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Constituent Corporations acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of each of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement in accordance with its terms.

ARTICLE III

CONVERSION OF SHARES

Section 3.01. Effect on Shares and the Purchaser's Capital Stock. (a) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each Share issued and outstanding immediately prior to the Effective Time (other than any Shares held by Parent, the Purchaser or any subsidiary of Parent or the Purchaser or in the treasury of the Company, which Shares, by virtue of the Merger and without any action on the part of the holder thereof, shall be cancelled and retired and shall cease to exist with no payment being made with respect thereto, and other than any Dissenting Shares (as hereinafter defined)) shall be converted into the right to receive $64.00 net to its holder in cash or any higher price per Share paid in the Offer (the "Merger Price"), payable to the holder thereof, without interest thereon, as set forth in Section 4.02 hereof.

(b) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of capital stock of the Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable

successors are duly elected and qualified, or their earlier death, resignation or removal.

Section 2.05. Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Constituent Corporations acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of each of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement in accordance with its terms.

ARTICLE III

CONVERSION OF SHARES

Section 3.01. Effect on Shares and the Purchaser's Capital Stock. (a) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each Share issued and outstanding immediately prior to the Effective Time (other than any Shares held by Parent, the Purchaser or any subsidiary of Parent or the Purchaser or in the treasury of the Company, which Shares, by virtue of the Merger and without any action on the part of the holder thereof, shall be cancelled and retired and shall cease to exist with no payment being made with respect thereto, and other than any Dissenting Shares (as hereinafter defined)) shall be converted into the right to receive $64.00 net to its holder in cash or any higher price per Share paid in the Offer (the "Merger Price"), payable to the holder thereof, without interest thereon, as set forth in Section 4.02 hereof.

(b) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of capital stock of the Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable

share of Common Stock, par value $1.00 per share, of the Surviving Corporation.

Section 3.02. Company Option Plans. (a) The Company shall take all actions necessary to provide that, immediately prior to the consummation of the Offer, (i) each outstanding option to purchase Shares (the "Options") granted under any of the Company's 1980 Stock Option Plan, 1982 Incentive Stock Option Plan, the Company's 1988 Employee Stock Option Plan or the Company's 1994 Employee Stock Option Plan, each as amended (collectively, the "Option Plans"), whether or not then exercisable or vested, shall become fully exercisable and vested, (ii) each Option which is then outstanding shall be cancelled and (iii) in consideration of such cancellation, and except to the extent that Parent or the Purchaser and the holder of any such Option otherwise agree, the Company (or, at Parent's option, Parent or the Purchaser) shall pay to such holders of Options an amount in respect thereof equal to the product of (A) the excess, if any, of the Merger Price over the exercise price thereof and (B) the number of Shares subject thereto (such payment to be net of applicable withholding taxes); provided that the foregoing shall not require any action which violates the Option Plans; provided, further, that if it is determined that compliance with any of the foregoing would cause any individual subject to Section 16 of the Exchange Act to become subject to the profit recovery provisions thereof, any Options held by such individual will be cancelled or purchased, as the case may be, as promptly thereafter as possible so as not to subject such individual to any liability pursuant to Section 16, and such individual will be entitled to receive from the Company or the Surviving Corporation at the Effective Time or as soon as practicable thereafter (or, if later, the date six months and one day following the grant of such option), for each Share subject to an Option, an amount equal to the excess, if any, of the Merger Price over the per Share exercise price of such Option.

(b) Except as provided herein or as otherwise agreed to by the parties and to the extent permitted by the Option Plans, (i) the Option Plans shall terminate as of the Effective Time and the provisions in any other plan, program or arrangement, providing for the issuance or grant by the Company or any of its subsidiaries of any interest in respect of the capital stock of the Company or any of its subsidiaries (other than the EMASS Option Plan (as hereinafter defined)) shall be deleted as of the Effective Time and (ii) the Company shall use all reasonable efforts to ensure that following the Effective Time no holder of Options or any participant in the Option Plans or any other such plans, programs or arrangements (other than the EMASS Option Plan) shall have any right thereunder to acquire

any equity securities of the Company, the Surviving Corporation or any subsidiary thereof.

(c) The Company shall take all actions to provide that each share of restricted stock granted under the Option Plans shall become fully vested and free of restrictions immediately prior to the consummation of the Offer and that any holder of a restricted stock grant may elect to authorize the Company to retain a number of Shares from such grant having an aggregate value (based upon $64.00 per Share) equal to the sum of (i) the aggregate purchase price for such Shares under the applicable Option Plan and (ii) any withholding taxes applicable to the vesting of such grant, in lieu of the payment of such amount in cash.

Section 3.03. Stockholders' Meeting. (a) If required by applicable law in order to consummate the Merger, the Company, acting through the Board, shall, in accordance with applicable law:

(i) duly call, give notice of, convene and hold a special meeting of its stockholders (the "Special Meeting") as soon as practicable following the purchase of and payment for Shares by the Purchaser pursuant to the Offer for the purpose of considering and adopting this Agreement and such other matters as may be necessary to consummate the transactions contemplated herein;

(ii) prepare and file with the SEC a preliminary proxy statement relating to the matters to be considered at the Special Meeting pursuant to this Agreement and use its reasonable best efforts (x) to obtain and furnish the information required to be included by the SEC in the Proxy Statement (as hereinafter defined) and, after consultation with Parent, to respond promptly to any comments made by the SEC with respect to the preliminary proxy statement and to cause a definitive proxy statement (the "Proxy Statement") to be mailed to its stockholders and (y) subject to the fiduciary obligations of the Board under applicable law, to obtain the necessary approval and adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby by its stockholders; and

(iii) subject to the fiduciary obligations of the Board under applicable law after consultation with outside counsel, include in the Proxy Statement the recommendation

of the Board that stockholders of the Company vote in favor of the adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby.

(b) Parent agrees that it will vote, or cause to be voted, all of the Shares then owned by it, the Purchaser or any of its other subsidiaries in favor of the approval and adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby.

Section 3.04. Merger Without Meeting of Stockholders. Notwithstanding Section 3.03 hereof, in the event that Parent, the Purchaser or any other subsidiary of Parent shall acquire at least 90% of the outstanding Shares pursuant to the Offer or otherwise, the parties hereto agree, at the request of Parent or the Purchaser, to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the acceptance for payment and purchase of Shares by the Purchaser pursuant to the Offer without a meeting of stockholders of the Company in accordance with Section 253 of the DGCL.

Section 3.05. Consummation of the Merger. As soon as practicable after the satisfaction or waiver of the conditions set forth in Article VIII hereof, the Surviving Corporation shall execute in the manner required by the DGCL and file with the Delaware Secretary of State the Certificate of Merger (or, in the event Section 3.04 hereof is applicable, the Purchaser shall execute in the manner required by the DGCL and file with the Delaware Secretary of State a certificate of ownership and merger), and the parties shall take such other and further actions as may be required by law to make the Merger effective as promptly as is practicable.

ARTICLE IV

DISSENTING SHARES; PAYMENT FOR SHARES

Section 4.01. Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such Shares in accordance with Section 262 of the DGCL, if such Section 262 provides for appraisal rights for such Shares in the Merger ("Dissenting Shares"), shall not be converted into the right to receive the Merger Price, as provided in Section 3.01 hereof, unless and until such holder fails to perfect or withdraws or

otherwise loses his right to appraisal and payment under the DGCL. If, after the Effective Time, any such holder fails to perfect or withdraws or loses his right to appraisal, such Dissenting Shares shall thereupon be treated as if they had been converted as of the Effective Time into the right to receive the Merger Price to which such holder is entitled, without interest or dividends thereon. The Company shall give Parent prompt notice of any demands received by the Company for appraisal of Shares and Parent shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, except with the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands.

Section 4.02. Payment for Shares. (a) From and after the Effective Time, a bank or trust company to be designated by Parent (and reasonably acceptable to the Company) shall act as paying agent (the "Paying Agent") in effecting the payment of the Merger Price for certificates (the "Certificates") formerly representing Shares and entitled to payment of the Merger Price pursuant to Section 3.01 hereof. At the Effective Time, Parent or the Purchaser shall deposit, or cause to be deposited, in trust with the Paying Agent for the benefit of holders of Shares the aggregate Merger Price to which holders of Shares shall be entitled at the Effective Time pursuant to Section 3.01 hereof.

(b) Promptly after the Effective Time, Parent shall cause the Paying Agent to mail to each record holder of Certificates that immediately prior to the Effective Time represented Shares (other than Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) a form of letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent and instructions for use in surrendering such Certificates and receiving the Merger Price therefor. Upon the surrender of each such Certificate, the Paying Agent shall pay the holder of such Certificate in exchange therefor cash in an amount equal to the Merger Price multiplied by the number of Shares formerly represented by such Certificate, and such Certificate shall forthwith be cancelled. Until so surrendered, each such Certificate (other than Certificates representing Dissenting Shares and Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) shall represent solely the right to receive the aggregate Merger Price relating thereto. No interest shall be paid or accrued on such Merger Price.

(c) Promptly following the date which is nine months after the Effective Time, the Paying Agent shall deliver to Parent all cash, Certificates and other documents in its possession relating to the transactions described in this Agreement, and the Paying Agent's duties shall terminate. Thereafter, each holder of a Certificate formerly representing a Share (other than Certificates representing Dissenting Shares and Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) may surrender such Certificate to Parent and (subject to applicable abandoned property, escheat and similar laws) receive in consideration therefor the aggregate Merger Price relating thereto, without any interest or dividends thereon.

(d) The Merger Price shall be net to each holder of Certificates in cash, subject to reduction only for any applicable federal back-up withholding or, as set forth in Section 4.02(e), stock transfer taxes payable by such holder.

(e) If payment of cash in respect of any Certificate is to be made to a person other than the person in whose name such Certificate is registered, it shall be a condition to such payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment shall have paid any transfer and other taxes required by reason of such payment in a name other than that of the registered holder of the Certificate surrendered or shall have established to the satisfaction of Parent or the Paying Agent that such tax either has been paid or is not payable.

(f) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of any Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates formerly representing Shares (other than Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) are presented to Parent, the Surviving Corporation or the Paying Agent, they shall be surrendered and cancelled in return for the payment of the aggregate Merger Price relating thereto, without interest, as provided in this Article IV, subject to applicable law in the case of Dissenting Shares.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent and the Purchaser as follows:

Section 5.01. Organization. The Company and each of its Significant Subsidiaries (as defined below) is a corporation duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation and the Company and each of its Significant Subsidiaries has all requisite corporate power and authority to own, lease and operate their respective properties and to carry on their respective businesses as now being conducted. The Company and each of its subsidiaries is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, assets, financial condition or results of operations of the Company and its subsidiaries taken as a whole (a "Company Material Adverse Effect"). The Company owns directly all of the outstanding capital stock of each of its Significant Subsidiaries. As used in this Agreement a "Significant Subsidiary" means a corporation which is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X.

Section 5.02. Capitalization. The authorized capital stock of the Company consists of 50,000,000 Shares and 185,000 shares of preferred stock, par value $20.00 per share ("Company Preferred Stock"). As of March 30, 1995, there were 34,173,453 Shares and no shares of Company Preferred Stock issued and outstanding, and there are no Shares or shares of Company Preferred Stock held in the Company's treasury. As of the date hereof, there were outstanding options to purchase 2,391,703 Shares under the Option Plans. Except for the Rights granted pursuant to the Rights Agreement (which shall be redeemed pursuant to Section 7.10 hereof), Options under the Option Plans (which shall be cancelled pursuant to Section 3.02(a) hereof), options outstanding to purchase not more than 920,000 shares of common stock of the Company's subsidiary, EMASS, Inc. ("EMASS") pursuant to the EMASS 1994 Employee Stock Option Plan (the "EMASS Option Plan") (which options will become fully vested upon consummation of the Offer and remain outstanding after the Effective Time), and additional options to purchase up to 150,000 shares of EMASS common stock which

may be granted at the Company's or EMASS's discretion prior to the Control Date, there were not as of the date hereof, and at all times thereafter through the Control Date there will not be, any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating the Company or any of its Subsidiaries to issue, transfer or sell any shares of capital stock of the Company or any of its subsidiaries or any other securities convertible into or evidencing the right to subscribe for any such shares. All issued and outstanding Shares are duly authorized and validly issued, fully paid, non-assessable and free of preemptive rights with respect thereto.

Section 5.03. Authority. The Company has full corporate power and authority to execute and deliver this Agreement and, subject to the approval of its stockholders, if required, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the Board, and other than the approval by its stockholders, if required, no other corporate proceedings are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes a legal, valid and binding agreement of the other parties hereto, it constitutes a legal, valid and binding agreement of the Company, enforceable against it in accordance with its terms.

Section 5.04. No Violations; Consents and Approvals. (a) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by the Company with any of the provisions hereof will (i) violate any provision of its certificate of incorporation or by-laws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, consolidation or change in control or ownership, under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture or other instrument of indebtedness for money borrowed to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries or any of their respective properties is bound, or (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, consolidation or change in control or ownership, under, any of the terms, conditions or

provisions of any license, franchise, permit or agreement to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries or any of their respective properties is bound, or (iv) violate any statute, rule, regulation, order or decree of any public body or authority by which the Company or any of its subsidiaries or any of their respective properties is bound, excluding from the foregoing clauses (ii), (iii) and (iv) violations, breaches, defaults or rights under the laws of any jurisdiction outside the United States or which, either individually or in the aggregate, would not have a Company Material Adverse Effect or materially impair the Company's ability to consummate the transactions contemplated hereby or for which the Company has received or, prior to the consummation of the Offer, shall have received appropriate consents or waivers.

(b) No filing or registration with, notification to, or authorization, consent or approval of, any governmental entity is required in connection with the execution and delivery of this Agreement by the Company, or the consummation by the Company of the transactions contemplated hereby, except (i) expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) in connection, or in compliance, with the provisions of the Exchange Act, (iii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iv) such filings and consents as may be required under any environmental law pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, (v) filing with, and approval of, the New York Stock Exchange, Inc. and the SEC with respect to the delisting and deregistration of the Shares, (vi) such consents, approvals, orders, authorizations, notifications, registrations, declarations and filings as may be required under the corporation, takeover or blue sky laws of various states or non-U.S. change-in-control laws or regulations and (vii) such other consents, approvals, orders, authorizations, notifications, registrations, declarations and filings not obtained or made prior to the consummation of the Offer the failure of which to be obtained or made would not, individually or in the aggregate, have a Company Material Adverse Effect, or materially impair the Company's ability to perform its material obligations hereunder or prevent the consummation of any of the transactions contemplated hereby.

Section 5.05. SEC Documents; Financial Statements. (a) The Company has made available to Parent and the Purchaser copies of each registration statement, report, proxy statement, information statement or schedule filed with the SEC by the Company since January 1, 1993 (the "SEC Documents"). As of

their respective dates, the Company's SEC Documents complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended, and the Exchange Act, as the case may be, and none of such SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) As of their respective dates, the consolidated financial statements of the Company included in the Company's Reports on Form 10-K and Reports on Form 10-Q included in the SEC Documents were prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented the Company's consolidated financial position and that of its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and statements of cash flows for the periods then ended (subject, in the case of unaudited statements, to the lack of footnotes thereto, to normal year-end audit adjustments and to any other adjustments described therein).

Section 5.06. Absence of Certain Changes; No Undisclosed Liabilities. (a) Since December 31, 1994, except as disclosed in the SEC Documents filed prior to the date hereof, the Company has not (i) incurred any liability, whether or not accrued, contingent or otherwise, or suffered any event or occurrence (other than events or occurrences which relate to general economic conditions or conditions generally affecting the defense industry) which, individually or in the aggregate, would have a Company Material Adverse Effect or (ii) made any changes in accounting methods, principles or practices or (iii) declared, set aside or paid any dividend or other distribution with respect to its capital stock, other than regular quarterly cash dividends at a rate not exceeding $.375 per Share per quarter, payable on the Company's customary dividend payment dates. Since December 31, 1994 to the date of this Agreement, each of the Company and its subsidiaries has conducted its operations according to its ordinary course of business consistent with past practice.

(b) Except as and to the extent disclosed by the Company in the SEC Documents, as of December 31, 1994, neither the Company nor any of its subsidiaries had any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of the Company and its subsidiaries

(including the notes thereto) or which would have, individually or in the aggregate, a Company Material Adverse Effect.

Section 5.07. Litigation. Except as disclosed by the Company in the SEC documents, there is no suit, claim, action, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries or any of their respective properties or assets before any court or governmental entity with respect to which there is a reasonable likelihood of a determination which, individually or in the aggregate, would have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, neither the Company nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a Company Material Adverse Effect.

Section 5.08. Compliance with Applicable Law. Except as disclosed by the Company in the SEC Documents, the Company and its subsidiaries hold all permits, licenses, variances, exemptions, orders and approvals of all governmental entities necessary for the lawful conduct of their respective businesses (the "Company Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders and approvals which would not, individually or in the aggregate, have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, the Company and its subsidiaries are in compliance with the terms of the Company Permits, except where the failure so to comply would not have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, the businesses of the Company and its subsidiaries are not being conducted in violation of any law, ordinance or regulation of any governmental entity except for violations or possible violations which individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, and except for the audit by the Internal Revenue Service of the Company's qualified benefit plans currently being conducted, no investigation or review by any governmental entity with respect to the Company or any of its subsidiaries is pending or, to the best knowledge of the Company, threatened nor, to the best knowledge of the Company, has any governmental entity indicated an intention to conduct the same, other than, in each case, those which the Company reasonably believes will not have a Company Material Adverse Effect.

Section 5.09. Taxes. Each of the Company and its subsidiaries has filed, or caused to be filed, all federal,

state, local and foreign income and other material tax returns required to be filed by it, has paid or withheld, or caused to be paid or withheld, all taxes of any nature whatsoever, with any related penalties, interest and liabilities (any of the foregoing being referred to herein as a "Tax"), that are shown on such tax returns as due and payable, or otherwise required to be paid, other than such Taxes as are being contested in good faith and for which adequate reserves have been established and other than where the failure to so file, pay or withhold would not have a Company Material Adverse Effect. There are no material claims or assessments pending against the Company or its subsidiaries for any alleged deficiency in any Tax, and the Company does not know of any threatened Tax claims or assessments against the Company or any of its subsidiaries which if upheld would have a Company Material Adverse Effect. None of the Company or any of its subsidiaries has made an election to be treated as a "consenting corporation" under Section 341(f) of the Internal Revenue Code of 1986, as amended (the "Code"). There is no material deferred inter-company gain within the meaning of the Treasury Regulations promulgated under Section 1502 of the Code. There are no waivers or extensions of any applicable statute of limitations to assess any material Taxes. Other than with respect to returns for the 1994 taxable year, there are no outstanding requests for any extension of time within which to file any material return or within which to pay any material Taxes shown to be due on any return.

Section 5.10. Certain Employee Plans. Each "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained by the Company or any of its subsidiaries (the "Plans") complies in all respects with all applicable requirements of ERISA (to the extent required to so comply) and the Code and other applicable laws, except where failure so to comply would not have a Company Material Adverse Effect. No "reportable event" (as such term is defined in ERISA) or termination has occurred with respect to any Plan under circumstances which present a risk of liability to any governmental entity or other person which would have a Company Material Adverse Effect. None of the Plans is a multiemployer plan, as such term is defined in ERISA. Neither the Company and its subsidiaries, nor any of their respective directors, officers, employees or agents has, with respect to any Plan, engaged in any "prohibited transaction", as such term is defined in Section 4975 of the Code or Section 406 of ERISA, nor has any Plan engaged in any such prohibited transaction which could reasonably be expected to result in any taxes or penalties or prohibited transactions under Section 4975 of the Code or under

Section 502(i) of ERISA, which in the aggregate could reasonably be expected to have a Company Material Adverse Effect. Copies of all of the Company's Plans covering United States employees of the Company and any related trusts and summary plan descriptions have been made available to the Purchaser. Except as specifically contemplated by this Agreement, or as provided in the SERP (as defined in Section 7.11), the Amended and Restated Indemnification Agreements between the Company and its directors and officers, the Option Plans or the EMASS Option Plan, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in, cause the accelerated vesting or delivery of, or increase the amount or value of, any payment or benefit to any employee or former employee of the Company or any of its subsidiaries.

Section 5.11. Rights Agreement. The Board has taken all necessary action (i) to provide that neither Parent nor the Purchaser will become an "Acquiring Person," that no "Triggering Event," "Stock Acquisition Date" or "Distribution Date" (as such terms are defined in the Rights Agreement) will occur and that Section 13 of the Rights Agreement will not be triggered, in each case as a result of the announcement, commencement or consummation of the Offer, the execution or delivery of this Agreement or any amendment hereto or the consummation of the transactions contemplated hereby and (ii) to redeem the Rights effective immediately prior to the Purchaser's acceptance of Shares for purchase pursuant to the Offer.

Section 5.12. Information. None of the Schedule 14D-9, the Proxy Statement, if any, or any other document filed or to be filed by or on behalf of the Company with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contained when filed or will, at the respective times filed with the SEC or other governmental entity and, in addition, in the case of the Proxy Statement, if any, at the date it or any amendment or supplement is mailed to stockholders and at the time of any Special Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that the foregoing shall not apply to information supplied by Parent or the Purchaser specifically for inclusion or incorporation by reference in any such document. The Schedule 14D-9 and the Proxy Statement, if any, will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. None of the information supplied by the Company specifically for inclusion or incorporation by reference in the Offer Documents or

in any other document filed or to be filed by or on behalf of Parent or the Purchaser with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 5.13. Delaware Section 203. The Board has taken all appropriate and necessary action such that the provisions of Section 203 of the DGCL will not apply to any of the transactions contemplated by this Agreement.

Section 5.14. Broker's Fees. Except for CS First Boston Corporation and Morgan Stanley & Co. Incorporated, neither the Company nor any of its subsidiaries or any of its directors or officers has incurred any liability not already paid and disclosed to Parent or will incur any liability for any broker's fees, commissions, or financial advisory or finder's fees in connection with any of the transactions contemplated by this Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PARENT AND THE PURCHASER

Parent and the Purchaser represent and warrant to the Company as follows:

Section 6.01. Organization. Each of Parent and the Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware and each of Parent and the Purchaser has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Purchaser is a wholly owned subsidiary of Parent.

Section 6.02. Authority. Each of Parent and the Purchaser has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the Board of Directors of each of Parent and the Purchaser and by Parent as the sole stockholder of the Purchaser and no other corporate proceedings are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This

Agreement has been duly and validly executed and delivered by each of Parent and the Purchaser and, assuming this Agreement constitutes a legal, valid and binding agreement of the Company, it constitutes a legal, valid and binding agreement of each of Parent and the Purchaser, enforceable against them in accordance with its terms.

Section 6.03. No Violations; Consents and Approvals. (a) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by Parent or the Purchaser with any of the provisions hereof will (i) violate any provision of their respective certificates of incorporation or by-laws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture or other instrument of indebtedness for money borrowed to which Parent or the Purchaser is a party, or by which Parent or the Purchaser or any of their respective properties is bound, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, under, any of the terms, conditions or provisions of any license, franchise, permit or agreement to which Parent or the Purchaser is a party, or by which Parent or the Purchaser or any of their respective properties is bound, or (iv) violate any statute, rule, regulation, order or decree of any public body or authority by which Parent or the Purchaser or any of its respective properties is bound, excluding from the foregoing clauses (ii), (iii) and (iv) violations, breaches, defaults or rights which, either individually or in the aggregate, would not have a material adverse effect on Parent's or the Purchaser's ability to perform their respective obligations pursuant to this Agreement or consummate the Offer and the Merger (a "Parent Material Adverse Effect") or for which Parent or the Purchaser has received appropriate consents or waivers.

(b) No filing or registration with, notification to, or authorization, consent or approval of, any governmental entity is required by Parent or the Purchaser in connection with the execution and delivery of this Agreement, or the consummation by Parent or the Purchaser of the transactions contemplated hereby, except (i) expiration of the waiting period under the HSR Act, (ii) in connection, or in compliance, with the provisions of the Exchange Act, (iii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iv)

such filings and consents as may be required under any environmental law pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, (v) such consents, approvals, orders, authorizations, notifications, approvals, registrations, declarations and filings as may be required under the corporation, takeover or blue sky laws of various states [or non-U.S. change-in-control laws or regulations] and (vi) such other consents, orders, authorizations, registrations, declarations and filings not obtained prior to the Effective Time the failure of which to be obtained or made would not, individually or in the aggregate, have a Parent Material Adverse Effect.

Section 6.04. Information. Neither the Offer Documents nor any other document filed or to be filed by or on behalf of Parent or the Purchaser with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contained when filed or will, at the respective times filed with the SEC or other governmental entity, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that the foregoing shall not apply to information supplied by the Company specifically for inclusion or incorporation by reference in any such document. The Offer Documents will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. None of the information supplied by Parent or the Purchaser specifically for inclusion or incorporation by reference in the Schedule 14D-9, the Proxy Statement, if any, or any other document filed or to be filed by or on behalf of the Company with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 6.05. Broker's Fees. Except for Bear, Stearns & Co. Inc., neither Parent nor the Purchaser, nor any of their respective subsidiaries or directors or officers, has incurred or will incur any liability for any broker's fees, commissions, or financial advisory or finder's fees in connection with any of the transactions contemplated by this Agreement.

Section 6.06. Financing. Parent or the Purchaser will have at the time of acceptance for payment and purchase of Shares under the Offer and at the Effective Time, the funds necessary to consummate the Offer and the Merger and the transactions contemplated thereby and to pay related fees and expenses.

ARTICLE VII

COVENANTS

Section 7.01. Conduct of Business of the Company. Except as contemplated by this Agreement or as expressly agreed to in writing by Parent, during the period from the date of this Agreement to the Control Date, each of the Company and its subsidiaries will conduct its operations according to its ordinary course of business consistent with past practice, and will use commercially reasonable efforts to preserve intact its business organization, to keep available the services of its key employees and to maintain satisfactory relationships with suppliers, distributors, customers and others having material business relationships with it and will take no action not required by law which would materially adversely affect the ability of the parties to consummate the transactions contemplated by this Agreement or be materially inconsistent with such transactions. The Company shall make such notifications to the U.S. Department of Defense and certain other classified customers of the Company as the Company determines are necessary to comply with the foregoing covenant.

Section 7.02. Acquisitions and Divestitures. Prior to the Control Date, the Company shall keep Parent advised of the status of all discussions and negotiations concerning possible acquisitions and divestitures by the Company or any of its subsidiaries of any corporations or businesses, and the Company agrees that without the prior written consent of Parent it shall not make, or agree to make, any such acquisition or divestiture; provided that the foregoing restriction shall not apply to the transactions involving Asta and ATM previously disclosed by the Company to Parent. Other acquisition or disposition transactions will be determined by mutual agreement after consultation between the chief executive officers of Parent and the Company.

Section 7.03. No Solicitation. (a) The Company agrees that, prior to the Effective Time, it shall not, and shall not authorize or permit any of its subsidiaries or any of its or its subsidiaries' directors, officers, employees, agents

or representatives, directly or indirectly, to solicit, initiate, facilitate or encourage (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving the Company or its subsidiaries or acquisition of all or substantially all of the assets or capital stock of the Company and its subsidiaries taken as a whole (an "Acquisition Transaction") or negotiate, explore or otherwise engage in substantive discussions with any person (other than Parent, the Purchaser or their respective directors, officers, employees, agents and representatives) with respect to any Acquisition Transaction or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to consummate the Merger or any other transactions contemplated by this Agreement; provided that the Company may, in response to an unsolicited written proposal with respect to an Acquisition Transaction from a third party, furnish information to, and negotiate, explore or otherwise engage in substantive discussions with such third party, and enter into any such agreement, arrangement or understanding, in each case only if the Board determines in good faith by a majority vote, after consultation with its financial advisors and outside legal counsel of the Company, that failing to take such action would create a reasonable possibility of a breach of the fiduciary duties of the Board in connection with seeking an Acquisition Transaction that is more favorable to the stockholders of the Company than the Offer and the Merger.

(b) The Company shall immediately advise Parent in writing of the receipt of any inquiries or proposals relating to an Acquisition Transaction and any actions taken pursuant to Section 7.03(a), unless the Board determines in good faith by a majority vote, after consultation with its outside legal counsel, that taking such action would create a reasonable possibility of a breach of the fiduciary duties of the Board in connection with seeking an Acquisition Transaction that is more favorable to the stockholders of the Company than the Offer and the Merger.

Section 7.04. Access to Information. From the date of this Agreement until the Effective Time, and subject to any access, disclosure, copying or other limitations imposed by applicable law or the terms of any of the Company's or its subsidiaries' classified contracts (including any such contracts or arrangements with the U.S. or foreign governments), the Company will give Parent and its authorized representatives (including counsel, environmental and other consultants, accountants and auditors) access during normal business hours upon reasonable prior notice to all facilities, personnel and operations and to all books and records of the Company and its

subsidiaries, will permit Parent to make such inspections as it may reasonably require and will cause its officers and those of its subsidiaries to furnish Parent with such financial and operating data and other information with respect to its business and properties as Parent may from time to time reasonably request. Parent agrees that any information furnished to it, its subsidiaries or its authorized representatives pursuant to this Section 7.04 will be subject to the provisions of the letter agreement dated January 23, 1995 between Parent and the Company (the "Confidentiality Agreement").

Section 7.05. Reasonable Best Efforts; Other Actions. Subject to the terms and conditions herein provided and applicable law, each of the Company, Parent and the Purchaser shall use its reasonable best efforts promptly to take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or appropriate under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, using such reasonable best efforts to (i) obtain all necessary consents, approvals or waivers under its material contracts and (ii) lift any legal bar to the Merger; provided, however, that the foregoing shall not require Parent, the Purchaser or any other affiliate of Parent to agree to any action or restriction which, if imposed by a governmental entity, would constitute a condition described in paragraph (a) of Annex I to this Agreement.

Section 7.06. Public Announcements. Before issuing any press release or otherwise making any public statements with respect to this Agreement, the Offer or the Merger, Parent, the Purchaser and the Company will consult with each other as to its form and substance and shall not issue any such press release or make any such public statement prior to such consultation, except in either case as may be required by law or any obligations pursuant to any listing agreement with any national securities exchange.

Section 7.07. Notification of Certain Matters. Each of the Company and Parent shall give prompt notice to the other party of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause either (A) any representation or warranty of any party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the acceptance for payment of Shares pursuant to the Offer, (B) any condition set forth in Annex I to be unsatisfied in any material respect at any time from the date hereof to the date the Purchaser purchases Shares pursuant to the Offer or (C) any condition set forth in Article VIII hereof to be unsatisfied in

any material respect at any time from the date hereof to the Effective Time, and (ii) any material failure of the Company or Parent, as the case may be, or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 7.07 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 7.08. Indemnification. (a) From and after the Effective Time, Parent shall, and shall cause the Surviving Corporation to, indemnify, defend and hold harmless the present and former officers, directors, employees and agents of the Company and its subsidiaries (the "Indemnified Parties") against all losses, claims, damages, expenses or liabilities arising out of or related to actions or omissions or alleged actions or omissions occurring at or prior to the Effective Time (i) to the full extent permitted by Delaware law or, if the protections afforded thereby to an Indemnified Person are greater, (ii) to the same extent and on the same terms and conditions (including with respect to advancement of expenses) provided for in the Company's Certificate of Incorporation and By-Laws and agreements in effect at the date hereof (to the extent consistent with applicable law), which provisions will survive the Merger and continue in full force and effect after the Effective Time. Without limiting the foregoing, (i) Parent shall, and shall cause the Surviving Corporation to, periodically advance expenses (including attorney's fees) as incurred by an Indemnified Person with respect to the foregoing to the full extent permitted under applicable law, and (ii) any determination required to be made with respect to whether an Indemnified Party shall be entitled to indemnification shall, if requested by such Indemnified Party, be made by independent legal counsel selected by the Surviving Corporation and reasonably satisfactory to such Indemnified Party.

(b) For a period of six years after the Effective Time, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by the Company (provided that Parent may substitute therefor policies with reputable and financially sound carriers of at least the same coverage and amounts containing terms and conditions which are no less advantageous) with respect to claims arising from or related to facts or events which occurred at or before the Effective Time; provided, however, that Parent shall not be obligated to make annual premium payments for such insurance to the extent such premiums exceed 250% of the annual premiums paid as of the date hereof by the Company for such insurance (the "Maximum Amount"). If the amount of

the annual premiums necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, Parent and the Surviving Corporation shall maintain the most advantageous policies of directors' and officers' insurance obtainable for an annual premium equal to the Maximum Amount.

(c) The provisions of this Section 7.08 are intended to be for the benefit of, and shall be enforceable by each Indemnified Party, his or her heirs and his or her representatives.

Section 7.09. Expenses. Except as set forth in Section 9.05(b) hereof, Parent and the Company shall bear their respective expenses incurred in connection with this Agreement, the Offer and the Merger, including, without limitation, the preparation, execution and performance of this Agreement and the transactions contemplated hereby, and all fees and expenses of investment bankers, finders, brokers, agents, representatives, counsel and accountants.

Section 7.10. Rights Agreement. Except as contemplated by Section 5.11 hereof, the Company shall not redeem the Rights or amend or terminate the Rights Agreement prior to the consummation of the Offer unless (i) required to do so by order of a court of competent jurisdiction (ii) the Board determines in good faith by a majority vote that the failure to make such redemption, amendment or termination would create a reasonable possibility of a breach of the Board's fiduciary duties under applicable law or (iii) this Agreement has theretofore been terminated.

Section 7.11. Employee Benefits. (a) Following the consummation of the Offer, (i) Purchaser shall cause the Company to honor in accordance with their terms the employment contracts and other arrangements set forth on Schedule 7.11, the Company's Executive Supplemental Retirement Plan ("SERP"), the Trust Agreement between the Company and Society National Bank dated as of May 19, 1994, and the Trust Agreement between the Company and AmeriTrust Company National Association dated as of June 23, 1987, as amended, in each case as in effect on the date hereof and as amended as contemplated by this Agreement, and (ii) Parent shall unconditionally guarantee the prompt payment when due of all amounts payable pursuant to the terms of the aforementioned employment contracts and the SERP, including any costs incurred by employees or former employees (or their respective beneficiaries) in enforcing their rights under such contracts or under the SERP. The provisions of the preceding sentence are intended to be for the benefit of, and shall be enforceable by, each of the employees and former employees (and their respective beneficiaries) who are parties to

such employment contracts or such other arrangements, who are participants in the SERP or such other arrangements, or who are beneficiaries under either of such Trust Agreements.

(b) Until the third anniversary of the Effective Time, Purchaser shall provide or cause the Company to provide to individuals who are employed by the Company or any of its subsidiaries employee benefits that are in the aggregate no less favorable than those provided to them as of the date hereof. Without limiting the generality of the foregoing, Parent agrees that, following the Effective Time, employees of the Surviving Corporation shall be eligible to participate in Parent's various compensation plans on a basis comparable to that of similarly situated employees of Parent and its subsidiaries.

(c) Before the consummation of the Offer, the Company shall take all steps necessary to ensure that none of the transactions contemplated by this Agreement shall constitute or result in a "Change of Control" as defined in the Company's Salaried Employees Retirement Plan and HRB Systems, Inc. Salaried Employees Retirement Plan.

(d) Parent and Purchaser agree that prior to the consummation of the Offer, the Board (and following consummation of the Offer and prior to the Effective Time, a majority of the Continuing Directors) may (i) amend the ESOP to provide for full vesting of all account balances and allocations of all unallocated shares, or the proceeds thereof, as of the Effective Time, and to make other technical or administrative amendments related thereto, (ii) terminate the ESOP as of the Effective Time and provide for the orderly liquidation of the assets thereof or, with the consent of Purchaser (which consent shall not be unreasonably withheld), merge the ESOP with and into another tax-qualified plan, (iii) amend the Company's Employee Savings Plan to increase, as of the Effective Time, the Company's contributions thereunder to reflect any cessation of ESOP contributions (net of contributions for the benefit of employees of the Surviving Corporation under Parent's employee stock ownership plan ("Parent's ESOP"), as described in the succeeding sentence), (iv) authorize amendments to the employment contract with the Company's Chairman and Chief Executive Officer to provide that such individual shall serve as Chief Executive Officer of the Surviving Corporation following the Effective Time and (unless he earlier resigns) for a period of 3 years thereafter. Parent and the Purchaser agree that if contributions to the ESOP cease on or after the Effective Time, then as of the date of such cessation, the employees of the Surviving Corporation and its subsidiaries who would otherwise have been eligible to receive allocations under the ESOP

be eligible to participate in Parent's ESOP as of the date of such cessation. For purposes of the preceding sentence, all service with the Company and its subsidiaries shall be recognized for eligibility and vesting purposes.

(e) Parent recognizes that the Company's business presents special situations with respect to the retention and recruitment of employees and executives and Parent agrees that the Chief Executive Officer of the Company may from time to time propose special arrangements for such employees and executives for consideration by Parent. Parent also recognizes that there are approximately 20 key executives of the Company who, in accordance with the usual procedures of the Compensation Committee of Parent, will receive appropriate consideration in connection with the grant of stock options by Parent at the customary time in July 1995.

Section 7.12. Board Representation. At the Effective Time or as soon as practicable thereafter, Parent shall use its best efforts and take all reasonable steps to cause A. Lowell Lawson to be appointed as a director of Parent for a term ending at the 1998 annual meeting of stockholders of Parent.

Section 7.13. Maintenance of the Company's Headquarters and Separate Identity. It is Parent's and the Purchaser's present intent to operate the Company as a subsidiary of Parent under the Company's current name, with the same management and organizational structure and in its current headquarters in Dallas, Texas.

Section 7.14. EMASS. Parent and the Purchaser acknowledge that they have been informed of the Company's business plan for EMASS and that they are aware of the Company's commitment to implement that plan so long as it represents sound business judgment. Although Parent does not currently have sufficient information to commit to a specific course of action, Parent and the Purchaser currently plan to pursue and implement, within the same time frames and upon the same terms and conditions, that portion of such business plan that contemplates a public offering, spin-off or similar transaction with respect to the capital stock of EMASS so long as the management of the Purchaser and Parent concur with the management of the Company that plan implementation represents the exercise of sound business judgment.

ARTICLE VIII

CONDITIONS TO THE OBLIGATIONS OF PARENT, THE PURCHASER AND THE COMPANY

The respective obligations of each party to effect the Merger shall be subject to the satisfaction or, if permissible, waiver at or prior to the Effective Time of each of the following conditions:

Section 8.01. Purchase of Shares. The Purchaser shall have accepted for payment and paid for Shares pursuant to the Offer in accordance with the terms thereof; provided that this condition shall be deemed to have been satisfied with respect to the obligation of Parent and the Purchaser to effect the Merger if the Purchaser fails to accept for payment or pay for Shares pursuant to the Offer in violation of the terms of the Offer or of this Agreement.

Section 8.02. Stockholder Approval. The vote of the stockholders of the Company necessary to consummate the transactions contemplated by this Agreement shall have been obtained, if required by applicable law.

Section 8.03. No Legal Impediments. No statute, rule, regulation, judgment, writ, decree, order or injunction shall have been promulgated, enacted, entered or enforced, and no other action shall have been taken, by any domestic, foreign or supranational government or governmental, administrative or regulatory authority or agency of competent jurisdiction or by any court or tribunal of competent jurisdiction, domestic, foreign or supranational, that in any of the foregoing cases has the effect of making illegal or directly or indirectly restraining, prohibiting or restricting the consummation of the Merger.

ARTICLE IX

TERMINATION AND ABANDONMENT

Section 9.01. Termination. This Agreement may be terminated (and the Merger contemplated hereby may be abandoned notwithstanding approval thereof by the stockholders of the Company) at any time prior to the Effective Time:

(a) by mutual written consent of the Boards of Directors of Parent and the Company;

(b) by either Parent or the Company if, without any material breach of such terminating party of its obligations under this Agreement, the purchase of Shares pursuant to the Offer shall not have occurred on or before September 30, 1995, which date may be extended by mutual written consent of the parties hereto;

(c) by Parent or the Company if the Offer expires or is terminated or withdrawn pursuant to its terms without any Shares being purchased thereunder; provided, however, that Parent may not terminate this Agreement pursuant to this Section 9.01(c) if Parent's or the Purchaser's termination of, or failure to accept for payment or pay for any Shares tendered pursuant to, the Offer does not follow the occurrence, or failure to occur, as the case may be, of any condition set forth in Annex I hereto or is otherwise in violation of the terms of the Offer or this Agreement;

(d) by either Parent or the Company if any court of competent jurisdiction in the United States or other governmental body in the United States shall have issued an order (other than a temporary restraining order), decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the purchase of Shares pursuant to the Offer or the Merger, and such order, decree, ruling or other action shall have become final and nonappealable; provided that the party seeking to terminate this Agreement shall have used its reasonable best efforts, subject to Section 7.05, to remove or lift such order, decree or ruling; or

(e) by the Company if the Offer has not been timely commenced in accordance with Section 1.01(a) hereof.

Section 9.02. Termination by Parent. This Agreement may be terminated and the Offer and the Merger may be abandoned by action of the Board of Directors of Parent, at any time prior to the purchase of Shares pursuant to the Offer, if (a) the Board shall withdraw, modify or change its recommendation or approval in respect of this Agreement or the Offer in a manner adverse to Parent, (b) the Board shall have recommended any proposal other than by Parent or the Purchaser in respect of an Acquisition Transaction or (c) any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent or the Purchaser or any of their respective subsidiaries or affiliates shall have become the beneficial owner of more than 20% of the outstanding Shares (either on a primary or a fully diluted basis).

Section 9.03. Termination by the Company. This Agreement may be terminated and the Merger may be abandoned by action of the Board, at any time prior to the Effective Time, (a) if there shall be a material breach of any of Parent's or the Purchaser's representations, warranties or covenants hereunder, which breach shall not be cured within ten days of notice thereof, or (b) to allow the Company to enter into an agreement in respect of an Acquisition Transaction which the Board has determined is more favorable to the Company and its stockholders than the transactions contemplated hereby (provided that the termination described in this clause (b) shall not be effective unless and until the Company shall have paid to Parent the fee described in Section 9.05(b) hereof).

Section 9.04. Procedure for Termination. In the event of termination and abandonment of the Merger and the Offer by Parent or the Merger by the Company pursuant to this Article IX, written notice thereof shall forthwith be given to the other.

Section 9.05. Effect of Termination. (a) In the event of termination of this Agreement pursuant to this Article IX, the Merger shall be deemed abandoned and this Agreement shall forthwith become void, without liability on the part of any party hereto except as provided in this Section 9.05 and Sections 1.02(c) and 7.09 and the last sentence of Section 7.04, except that nothing herein shall relieve any party from liability for any breach of this Agreement.

(b) If (i) Parent shall have terminated this Agreement pursuant to Section 9.02 hereof or (ii) the Company shall have terminated this Agreement pursuant to Section 9.03(b) hereof, then in either such case the Company shall promptly, but in no event later than two business days after the date of such termination or event, pay Parent a termination fee of $75,000,000 plus an amount, not in excess of $20,000,000, equal to Parent's actual and reasonably documented out-of-pocket expenses directly attributable to the negotiation and execution of this Agreement and the attempted financing and completion of the Offer and the Merger, which amount shall be payable in same day funds, provided, that no fee or expense reimbursement shall be paid pursuant to this Section 9.05(b) if Parent shall be in material breach of its obligations hereunder. In no event shall the Company be required to pay more than one termination fee and reimbursement of expenses pursuant to this Section 9.05(b).

ARTICLE X

DEFINITIONS

Section 10.01. Terms Defined in the Agreement. The following terms used herein shall have the meanings ascribed in the indicated sections.

Acquisition Transaction	7.03(a)
Agreement	Preamble
Board	Recitals
Certificate of Merger	2.02
Certificates	4.02(a)
Code	5.09
Company	Preamble
Company Material Adverse Effect	5.01
Company Permits	5.08
Company Preferred Stock	5.02
Constituent Corporations	Preamble
Continuing Directors	1.03(c)
Control Date	1.03(a)
Delaware Secretary of State	2.02
DGCL	Recitals
Dissenting Shares	4.01
Effective Time	2.02
EMASS	5.02
EMASS Option Plan	5.02
ERISA	5.10
Exchange Act	1.01(a)
HSR Act	5.04(b)
Merger	2.01(a)
Merger Price	3.01
Minimum Condition	Annex I
Offer	1.01(a)
Offer Documents	1.01(c)
Option Plans	3.02(a)
Options	3.02(a)
Parent	Preamble
Parent Material Adverse Effect	6.03(a)
Paying Agent	4.02(a)
person	11.09
Plans	5.10
Proxy Statement	3.03(a)(ii)
Purchaser	Preamble
Rights	1.01(a)
Rights Agreement	1.01(a)
Schedule 14D-9	1.02(b)
SEC	1.01(c)
SEC Documents	5.05(a)
Shares	1.01(a)

Significant Subsidiary	5.01
Special Meeting	3.03(a)(i)
subsidiary	11.09
Surviving Corporation	2.01(a)
Tax	5.09

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment and Modification. At any time prior to the Effective Time, subject to applicable law and the provisions of Section 1.03(c) hereof, this Agreement may be amended, modified or supplemented only by written agreement (referring specifically to this Agreement) of Parent, the Purchaser and the Company with respect to any of the terms contained herein; provided, however, that after any approval and adoption of this Agreement by the stockholders of the Company, no such amendment, modification or supplementation shall be made which reduces the Merger Price or the form of consideration therefor or which in any way materially adversely affects the rights of such stockholders, without the further approval of such stockholders.

Section 11.02. Waiver. At any time prior to the Effective Time, Parent and the Purchaser, on the one hand, and the Company, on the other hand, may (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive any inaccuracies in the representations and warranties of the other contained herein or in any documents delivered pursuant hereto and (iii) waive compliance by the other with any of the agreements or conditions contained herein which may legally be waived. Any such extension or waiver shall be valid only if set forth in an instrument in writing specifically referring to this Agreement and signed on behalf of such party.

Section 11.03. Survivability; Investigations. The respective representations and warranties of Parent, the Purchaser and the Company contained herein or in any certificates or other documents delivered prior to or as of the Effective Time (i) shall not be deemed waived or otherwise affected by any investigation made by any party hereto and (ii) shall not survive beyond the Effective Time. The covenants and agreements of the parties hereto (including the Surviving Corporation after the Merger) shall survive the Effective Time without limitation (except for those which, by their terms, contemplate a shorter survival period).

Section 11.04. Notices. All notices and other communications hereunder shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied, or one day after delivery to a courier for next-day delivery.

(a) if to the Company, to

E-Systems, Inc.
6250 LBJ Freeway
Dallas, Texas 75240
Telecopy: (214) 392-4890
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telecopy: (212) 735-2000
Attention: Peter A. Atkins, Esq.

(b) if to Parent or the Purchaser, to

Raytheon Company
141 Spring Street
Lexington, Massachusetts 02173
Telecopy: (617) 860-2924
Attention: Thomas D. Hyde, Vice President
and General Counsel

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telecopy: (212) 403-2000
Attention: Elliott V. Stein, Esq.

Section 11.05. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of

the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties. This Agreement, except for the provisions of Sections 1.03(d), 3.02(a), 7.08, 7.11(a) and 7.12 (which are intended to be for the benefit of the persons identified therein, and may be enforced by such persons), is not intended to confer any rights or remedies hereunder upon any other person except the parties hereto.

Section 11.06. Governing Law. This Agreement shall be governed by the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

Section 11.07. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 11.08. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect against a party hereto, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby and such invalidity, illegality or unenforceability shall only apply as to such party in the specific jurisdiction where such judgment shall be made.

Section 11.09. Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used in this Agreement, (i) the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof; and (ii) the term "subsidiary" of any specified corporation shall mean any corporation of which a majority of the outstanding securities having ordinary voting power to elect a majority of the board of directors are directly or indirectly owned by such specified corporation or any other person of which a majority of the equity interests therein are, directly or indirectly, owned by such specified corporation.

Section 11.10. Guarantee. Parent hereby guarantees the due performance by the Purchaser of all of the Purchaser's obligations (including obligations to cause the Company to take

or refrain from taking action) under this Agreement or incurred in connection with the Offer and the Merger.

Section 11.11. Post-Control Date Actions. Notwithstanding anything in this Agreement to the contrary, from and after the Control Date the Company shall not be deemed for purposes hereof to be in breach of this Agreement if such breach was caused by Parent in its capacity as the controlling stockholder of the Company or by action of the Board taken with the approval of a majority of Parent's designees thereto.

Section 11.12. Entire Agreement. This Agreement, including the schedules, annexes and exhibits hereto and the documents and instruments referred to herein and therein, together with the Confidentiality Agreement, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and supersedes all prior agreements and understandings between the parties with respect to such subject matter. There are no representations, promises, warranties, covenants, or undertakings in respect of such subject matter, other than those expressly set forth or referred to herein and therein.

IN WITNESS WHEREOF, Parent, the Purchaser and the Company have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

RAYTHEON COMPANY

By: David S Dwelley
Name: David S Dwelley
Title: Vice President

RTN ACQUISITION CORPORATION

By: _____
Name: HERBERT DEITCHER
Title: TREASURER

E-SYSTEMS, INC.

By: _____
Name:
Title:

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of April 2, 1995 (the "Agreement"), by and among E-SYSTEMS, INC., a Delaware corporation (the "Company"), RTN ACQUISITION CORPORATION, a Delaware corporation (the "Purchaser"), and RAYTHEON COMPANY, a Delaware corporation ("Parent"). The Company and the Purchaser are hereinafter sometimes collectively referred to as the "Constituent Corporations."

RECITALS

WHEREAS, the Boards of Directors of Parent, the Purchaser and the Company have each approved the acquisition of the Company by Parent upon the terms and subject to the conditions set forth herein;

WHEREAS, in furtherance of such acquisition, the Boards of Directors of Parent, the Purchaser and the Company have each approved the merger of the Purchaser with and into the Company in accordance with the terms of this Agreement and the General Corporation Law of the State of Delaware (the "DGCL") and with any other applicable law; and

WHEREAS, the Board of Directors of the Company (the "Board") has, in light of and subject to the terms and conditions set forth herein, (i) determined that (x) the consideration to be paid for each Share in the Offer and the Merger (as hereinafter defined) is fair to the stockholders of the Company, and (y) the Offer and the Merger are otherwise in the best interests of the Company and its stockholders, and (ii) resolved to approve and adopt this Agreement and the transactions contemplated hereby and to recommend acceptance of the Offer and approval and adoption by the stockholders of the Company of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I

THE OFFER

Section 1.01. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with

Article IX hereof and none of the events set forth in Annex I hereto shall have occurred and be existing, as promptly as practicable (but in no event later than five business days from the date hereof) Purchaser shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder, the "Exchange Act")) an offer to purchase all outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of the Company including the associated Preferred Stock Purchase Rights issued pursuant to the Rights Agreement dated as of October 7, 1994 (the "Rights Agreement") between the Company and Society National Bank, as Rights Agent (the "Rights"), at a price of $64.00 per Share net to the seller in cash (the "Offer") and, subject to the conditions of the Offer, shall use all reasonable efforts to consummate the Offer. Except where the context otherwise requires, all references herein to the Shares shall include the associated Rights. The obligation of the Purchaser to consummate the Offer and to accept for payment and to pay for any Shares tendered pursuant thereto shall be subject to only those conditions set forth in Annex I hereto.

(b) Without the prior written consent of the Company, the Purchaser shall not (i) decrease the price per Share or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought, (iii) amend or waive satisfaction of the Minimum Condition (as defined in Annex I) or (iv) impose additional conditions to the Offer or amend any other term of the Offer in any manner adverse to the holders of Shares. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and purchase, as soon as permitted under the terms of the Offer, all Shares validly tendered and not withdrawn prior to the expiration of the Offer.

(c) Each of Parent and the Purchaser, on the one hand, and the Company, on the other hand, agrees promptly to correct any information provided by it for use in the documents filed by Parent and the Purchaser with the Securities and Exchange Commission (the "SEC") in connection with the Offer (the "Offer Documents") if and to the extent that it shall have become false or misleading in any material respect, and Parent and the Purchaser further agree to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to stockholders of the Company, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review and comment upon any Offer Documents to be filed with the SEC prior to any such filing.

(d) The Offer shall be made by means of an offer to purchase which shall provide for an initial expiration date of 20 business days from the date of commencement. Parent and the Purchaser agree that the Purchaser shall not terminate or withdraw the Offer or extend the expiration date of the Offer unless at the expiration date of the Offer the conditions to the Offer described in Annex I hereto shall not have been satisfied or earlier waived. If at the expiration date of the Offer, the conditions to the Offer described in Annex I hereto shall not have been satisfied or earlier waived but, in the reasonable belief of Parent, may be satisfied prior to September 30, 1995, the Purchaser shall extend the expiration date of the Offer for an additional period or periods of time until the earlier of (i) the date such conditions are satisfied or earlier waived and the Purchaser becomes obligated to accept for payment and pay for Shares tendered pursuant to the Offer or (ii) this Agreement is terminated in accordance with its terms; provided that this sentence shall not be applicable in the event the conditions set forth in paragraph (c)(ii) of Annex I hereto shall not have been satisfied or earlier waived at the expiration date of the Offer. Any individual extension of the Offer shall be for a period of no more than 15 business days.

Section 1.02. Company Actions. (a) The Company hereby approves of and consents to the Offer and represents that (i) the Board, at a meeting duly called and held, has, in light of and subject to the terms and conditions set forth herein, [unanimously] (x) determined that the consideration to be paid for each Share in the Offer and the Merger is fair to the stockholders of the Company and the Offer and the Merger are otherwise in the best interests of the Company and its stockholders and (y) approved and adopted this Agreement and the transactions contemplated hereby, including the Offer and the Merger, and resolved to recommend acceptance of the Offer and approval and adoption of this Agreement by the stockholders of the Company and (ii) CS First Boston Corporation and Morgan Stanley & Co. Incorporated, the Company's financial advisors, have each rendered to the Board their opinion that the per share consideration to be received by the stockholders of the Company pursuant to the Offer and the Merger is fair to such stockholders from a financial point of view.

(b) The Company hereby agrees promptly to prepare and, after affording the Purchaser a reasonable opportunity to review and comment thereon, to file with the SEC and to mail to its stockholders, a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Offer (together with any amendments or supplements thereto, the "Schedule 14D-9") containing the recommendation described in Section 1.02(a) hereof and to disseminate the Schedule 14D-9 as required by Rule 14d-9

promulgated under the Exchange Act; provided, however, that, subject to the provisions of Article IX, such recommendation may be withdrawn, modified or amended to the extent that the Board deems it necessary to do so in the exercise of its fiduciary and other legal obligations after consultation with outside counsel. Each of the Company, on the one hand, and Parent and the Purchaser, on the other hand, agree promptly to correct any information provided by either of them for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to the stockholders of the Company, in each case as and to the extent required by applicable federal securities laws.

(c) In connection with the Offer, the Company will furnish the Purchaser with such information (which will be treated and held in confidence by the Purchaser in accordance with the terms of the Confidentiality Agreement (as hereinafter defined)) and assistance as the Purchaser or its agents or representatives may reasonably request in connection with the preparation of the Offer and communicating the Offer to the record and beneficial holders of the Shares.

Section 1.03. Directors. (a) Subject to compliance with the DGCL, the Company's Certificate of Incorporation and other applicable law, promptly upon the payment by the Purchaser for Shares purchased pursuant to the Offer, and from time to time thereafter, the Company shall, upon request of Parent, promptly use its best efforts to take all actions necessary to cause a majority of the directors of the Company to consist of Parent's designees, including by accepting the resignations of those incumbent directors designated by the Company or increasing the size of the Board and causing Parent's designees to be elected. The date on which Purchaser's designees constitute at least a majority of the Board is herein referred to as the "Control Date."

(b) The Company's obligations to appoint Parent's designees to the Board shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 thereunder, if applicable. The Company shall promptly take all actions required pursuant to such Section and Rule in order to fulfill its obligations under this Section 1.03 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under such Section and Rule in order to fulfill its obligations under this Section 1.03. Parent will supply any information with respect to itself and its

designees, officers, directors and affiliates required by such Section and Rule to the Company.

(c) Following the election or appointment of Parent's designees pursuant to this Section 1.03 and prior to the Effective Time (as hereinafter defined), any amendment or termination of this Agreement by the Company or the Board, any extension by the Company or the Board, of the time for the performance of any of the obligations or other acts of Parent or the Purchaser or waiver of any of the Company's rights hereunder, will require the concurrence of, and shall be effective if and only if approved by, a majority of the directors of the Company then in office who are not affiliated with Parent and were not designated by Parent and (i) were also non-management directors of the Company on the date hereof or (ii) were elected subsequent to the date hereof by, or on the recommendation of (x) directors who were directors on the date hereof or (y) the Continuing Directors (the persons referred to in clauses (i) and (ii) being the "Continuing Directors"), even if such majority of the Continuing Directors does not constitute a majority of all directors then in office. Until the Effective Time, the Board shall include three Continuing Directors (subject to their availability and willingness to serve).

(d) During the five-year period immediately following the Control Date, the Company shall maintain an Advisory Board for the purpose of consulting on matters related to the business of the Company. The members of the Advisory Board shall be chosen by mutual agreement of the Chief Executive Officer of the Company and the Chief Executive Officer of Parent from among the individuals who constitute the Board on the date hereof, including any of the Continuing Directors, and representatives of Parent. Parent shall provide or cause the Company to provide compensation and benefits to the members of the Advisory Board that, in the aggregate, are no less favorable than those provided to the Company's directors as of the date hereof. Purchaser agrees that it will pay, or will cause the Surviving Corporation to pay, in accordance with the terms of the director retirement policy and the Executive Perquisites for Outside Board Directors of the Company in effect as of the date hereof, the retirement benefit and perquisites provided for therein to those directors who are directors of the Company on the date hereof and who, after either the Control Date or the Effective Time, do not continue on the Board or become members of the Advisory Board.

ARTICLE II

THE MERGER

Section 2.01. The Merger. (a) In accordance with the provisions of this Agreement and the DGCL, at the Effective Time, the Purchaser shall be merged with and into the Company (the "Merger"), and the Company shall be the surviving corporation (hereinafter sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Delaware. At the Effective Time the separate existence of the Purchaser shall cease.

(b) The name of the Surviving Corporation shall be "E-Systems, Inc."

(c) The Merger shall have the effects on the Company and the Purchaser as Constituent Corporations of the Merger as provided under the DGCL. As of the Effective Time, the Company shall be a wholly-owned subsidiary of Parent.

Section 2.02. Effective Time. The Merger shall become effective at the time of filing of, or at such later time specified in, a certificate of merger (the "Certificate of Merger") (or, if applicable, a certificate of ownership and merger), in the form required by and executed in accordance with the DGCL, filed with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") in accordance with the provisions of Section 251 of the DGCL (or in the event Section 3.04 hereof is applicable, Section 253 of the DGCL). The date and time when the Merger shall become effective is herein referred to as the "Effective Time."

Section 2.03. Certificate of Incorporation and By-Laws of Surviving Corporation. Subject to Section 2.01(b), the Certificate of Incorporation and By-Laws of the Purchaser shall be the Certificate of Incorporation and By-Laws of the Surviving Corporation until thereafter amended as provided by law.

Section 2.04. Directors and Officers of Surviving Corporation. (a) Subject to applicable law, the directors of the Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

(b) The officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation and shall hold office until their respective

successors are duly elected and qualified, or their earlier death, resignation or removal.

Section 2.05. Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Constituent Corporations acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of each of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement in accordance with its terms.

ARTICLE III

CONVERSION OF SHARES

Section 3.01. Effect on Shares and the Purchaser's Capital Stock. (a) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each Share issued and outstanding immediately prior to the Effective Time (other than any Shares held by Parent, the Purchaser or any subsidiary of Parent or the Purchaser or in the treasury of the Company, which Shares, by virtue of the Merger and without any action on the part of the holder thereof, shall be cancelled and retired and shall cease to exist with no payment being made with respect thereto, and other than any Dissenting Shares (as hereinafter defined)) shall be converted into the right to receive $64.00 net to its holder in cash or any higher price per Share paid in the Offer (the "Merger Price"), payable to the holder thereof, without interest thereon, as set forth in Section 4.02 hereof.

(b) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of capital stock of the Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable

successors are duly elected and qualified, or their earlier death, resignation or removal.

Section 2.05. Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Constituent Corporations acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of each of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement in accordance with its terms.

ARTICLE III

CONVERSION OF SHARES

Section 3.01. Effect on Shares and the Purchaser's Capital Stock. (a) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each Share issued and outstanding immediately prior to the Effective Time (other than any Shares held by Parent, the Purchaser or any subsidiary of Parent or the Purchaser or in the treasury of the Company, which Shares, by virtue of the Merger and without any action on the part of the holder thereof, shall be cancelled and retired and shall cease to exist with no payment being made with respect thereto, and other than any Dissenting Shares (as hereinafter defined)) shall be converted into the right to receive $64.00 net to its holder in cash or any higher price per Share paid in the Offer (the "Merger Price"), payable to the holder thereof, without interest thereon, as set forth in Section 4.02 hereof.

(b) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of capital stock of the Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable

share of Common Stock, par value $1.00 per share, of the Surviving Corporation.

Section 3.02. Company Option Plans. (a) The Company shall take all actions necessary to provide that, immediately prior to the consummation of the Offer, (i) each outstanding option to purchase Shares (the "Options") granted under any of the Company's 1980 Stock Option Plan, 1982 Incentive Stock Option Plan, the Company's 1988 Employee Stock Option Plan or the Company's 1994 Employee Stock Option Plan, each as amended (collectively, the "Option Plans"), whether or not then exercisable or vested, shall become fully exercisable and vested, (ii) each Option which is then outstanding shall be cancelled and (iii) in consideration of such cancellation, and except to the extent that Parent or the Purchaser and the holder of any such Option otherwise agree, the Company (or, at Parent's option, Parent or the Purchaser) shall pay to such holders of Options an amount in respect thereof equal to the product of (A) the excess, if any, of the Merger Price over the exercise price thereof and (B) the number of Shares subject thereto (such payment to be net of applicable withholding taxes); provided that the foregoing shall not require any action which violates the Option Plans; provided, further, that if it is determined that compliance with any of the foregoing would cause any individual subject to Section 16 of the Exchange Act to become subject to the profit recovery provisions thereof, any Options held by such individual will be cancelled or purchased, as the case may be, as promptly thereafter as possible so as not to subject such individual to any liability pursuant to Section 16, and such individual will be entitled to receive from the Company or the Surviving Corporation at the Effective Time or as soon as practicable thereafter (or, if later, the date six months and one day following the grant of such option), for each Share subject to an Option, an amount equal to the excess, if any, of the Merger Price over the per Share exercise price of such Option.

(b) Except as provided herein or as otherwise agreed to by the parties and to the extent permitted by the Option Plans, (i) the Option Plans shall terminate as of the Effective Time and the provisions in any other plan, program or arrangement, providing for the issuance or grant by the Company or any of its subsidiaries of any interest in respect of the capital stock of the Company or any of its subsidiaries (other than the EMASS Option Plan (as hereinafter defined)) shall be deleted as of the Effective Time and (ii) the Company shall use all reasonable efforts to ensure that following the Effective Time no holder of Options or any participant in the Option Plans or any other such plans, programs or arrangements (other than the EMASS Option Plan) shall have any right thereunder to acquire

any equity securities of the Company, the Surviving Corporation or any subsidiary thereof.

(c) The Company shall take all actions to provide that each share of restricted stock granted under the Option Plans shall become fully vested and free of restrictions immediately prior to the consummation of the Offer and that any holder of a restricted stock grant may elect to authorize the Company to retain a number of Shares from such grant having an aggregate value (based upon $64.00 per Share) equal to the sum of (i) the aggregate purchase price for such Shares under the applicable Option Plan and (ii) any withholding taxes applicable to the vesting of such grant, in lieu of the payment of such amount in cash.

Section 3.03. Stockholders' Meeting. (a) If required by applicable law in order to consummate the Merger, the Company, acting through the Board, shall, in accordance with applicable law:

(i) duly call, give notice of, convene and hold a special meeting of its stockholders (the "Special Meeting") as soon as practicable following the purchase of and payment for Shares by the Purchaser pursuant to the Offer for the purpose of considering and adopting this Agreement and such other matters as may be necessary to consummate the transactions contemplated herein;

(ii) prepare and file with the SEC a preliminary proxy statement relating to the matters to be considered at the Special Meeting pursuant to this Agreement and use its reasonable best efforts (x) to obtain and furnish the information required to be included by the SEC in the Proxy Statement (as hereinafter defined) and, after consultation with Parent, to respond promptly to any comments made by the SEC with respect to the preliminary proxy statement and to cause a definitive proxy statement (the "Proxy Statement") to be mailed to its stockholders and (y) subject to the fiduciary obligations of the Board under applicable law, to obtain the necessary approval and adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby by its stockholders; and

(iii) subject to the fiduciary obligations of the Board under applicable law after consultation with outside counsel, include in the Proxy Statement the recommendation

of the Board that stockholders of the Company vote in favor of the adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby.

(b) Parent agrees that it will vote, or cause to be voted, all of the Shares then owned by it, the Purchaser or any of its other subsidiaries in favor of the approval and adoption of this Agreement and such other matters as may be necessary to consummate the transactions contemplated hereby.

Section 3.04. Merger Without Meeting of Stockholders. Notwithstanding Section 3.03 hereof, in the event that Parent, the Purchaser or any other subsidiary of Parent shall acquire at least 90% of the outstanding Shares pursuant to the Offer or otherwise, the parties hereto agree, at the request of Parent or the Purchaser, to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the acceptance for payment and purchase of Shares by the Purchaser pursuant to the Offer without a meeting of stockholders of the Company in accordance with Section 253 of the DGCL.

Section 3.05. Consummation of the Merger. As soon as practicable after the satisfaction or waiver of the conditions set forth in Article VIII hereof, the Surviving Corporation shall execute in the manner required by the DGCL and file with the Delaware Secretary of State the Certificate of Merger (or, in the event Section 3.04 hereof is applicable, the Purchaser shall execute in the manner required by the DGCL and file with the Delaware Secretary of State a certificate of ownership and merger), and the parties shall take such other and further actions as may be required by law to make the Merger effective as promptly as is practicable.

ARTICLE IV

DISSENTING SHARES; PAYMENT FOR SHARES

Section 4.01. Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such Shares in accordance with Section 262 of the DGCL, if such Section 262 provides for appraisal rights for such Shares in the Merger ("Dissenting Shares"), shall not be converted into the right to receive the Merger Price, as provided in Section 3.01 hereof, unless and until such holder fails to perfect or withdraws or

otherwise loses his right to appraisal and payment under the DGCL. If, after the Effective Time, any such holder fails to perfect or withdraws or loses his right to appraisal, such Dissenting Shares shall thereupon be treated as if they had been converted as of the Effective Time into the right to receive the Merger Price to which such holder is entitled, without interest or dividends thereon. The Company shall give Parent prompt notice of any demands received by the Company for appraisal of Shares and Parent shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, except with the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands.

Section 4.02. Payment for Shares. (a) From and after the Effective Time, a bank or trust company to be designated by Parent (and reasonably acceptable to the Company) shall act as paying agent (the "Paying Agent") in effecting the payment of the Merger Price for certificates (the "Certificates") formerly representing Shares and entitled to payment of the Merger Price pursuant to Section 3.01 hereof. At the Effective Time, Parent or the Purchaser shall deposit, or cause to be deposited, in trust with the Paying Agent for the benefit of holders of Shares the aggregate Merger Price to which holders of Shares shall be entitled at the Effective Time pursuant to Section 3.01 hereof.

(b) Promptly after the Effective Time, Parent shall cause the Paying Agent to mail to each record holder of Certificates that immediately prior to the Effective Time represented Shares (other than Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) a form of letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent and instructions for use in surrendering such Certificates and receiving the Merger Price therefor. Upon the surrender of each such Certificate, the Paying Agent shall pay the holder of such Certificate in exchange therefor cash in an amount equal to the Merger Price multiplied by the number of Shares formerly represented by such Certificate, and such Certificate shall forthwith be cancelled. Until so surrendered, each such Certificate (other than Certificates representing Dissenting Shares and Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) shall represent solely the right to receive the aggregate Merger Price relating thereto. No interest shall be paid or accrued on such Merger Price.

(c) Promptly following the date which is nine months after the Effective Time, the Paying Agent shall deliver to Parent all cash, Certificates and other documents in its possession relating to the transactions described in this Agreement, and the Paying Agent's duties shall terminate. Thereafter, each holder of a Certificate formerly representing a Share (other than Certificates representing Dissenting Shares and Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) may surrender such Certificate to Parent and (subject to applicable abandoned property, escheat and similar laws) receive in consideration therefor the aggregate Merger Price relating thereto, without any interest or dividends thereon.

(d) The Merger Price shall be net to each holder of Certificates in cash, subject to reduction only for any applicable federal back-up withholding or, as set forth in Section 4.02(e), stock transfer taxes payable by such holder.

(e) If payment of cash in respect of any Certificate is to be made to a person other than the person in whose name such Certificate is registered, it shall be a condition to such payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment shall have paid any transfer and other taxes required by reason of such payment in a name other than that of the registered holder of the Certificate surrendered or shall have established to the satisfaction of Parent or the Paying Agent that such tax either has been paid or is not payable.

(f) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of any Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates formerly representing Shares (other than Certificates representing Shares held by Parent or the Purchaser, any subsidiary of Parent or the Purchaser or in the treasury of the Company) are presented to Parent, the Surviving Corporation or the Paying Agent, they shall be surrendered and cancelled in return for the payment of the aggregate Merger Price relating thereto, without interest, as provided in this Article IV, subject to applicable law in the case of Dissenting Shares.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent and the Purchaser as follows:

Section 5.01. Organization. The Company and each of its Significant Subsidiaries (as defined below) is a corporation duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation and the Company and each of its Significant Subsidiaries has all requisite corporate power and authority to own, lease and operate their respective properties and to carry on their respective businesses as now being conducted. The Company and each of its subsidiaries is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, assets, financial condition or results of operations of the Company and its subsidiaries taken as a whole (a "Company Material Adverse Effect"). The Company owns directly all of the outstanding capital stock of each of its Significant Subsidiaries. As used in this Agreement a "Significant Subsidiary" means a corporation which is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X.

Section 5.02. Capitalization. The authorized capital stock of the Company consists of 50,000,000 Shares and 185,000 shares of preferred stock, par value $20.00 per share ("Company Preferred Stock"). As of March 30, 1995, there were 34,173,453 Shares and no shares of Company Preferred Stock issued and outstanding, and there are no Shares or shares of Company Preferred Stock held in the Company's treasury. As of the date hereof, there were outstanding options to purchase 2,391,703 Shares under the Option Plans. Except for the Rights granted pursuant to the Rights Agreement (which shall be redeemed pursuant to Section 7.10 hereof), Options under the Option Plans (which shall be cancelled pursuant to Section 3.02(a) hereof), options outstanding to purchase not more than 920,000 shares of common stock of the Company's subsidiary, EMASS, Inc. ("EMASS") pursuant to the EMASS 1994 Employee Stock Option Plan (the "EMASS Option Plan") (which options will become fully vested upon consummation of the Offer and remain outstanding after the Effective Time), and additional options to purchase up to 150,000 shares of EMASS common stock which

may be granted at the Company's or EMASS's discretion prior to the Control Date, there were not as of the date hereof, and at all times thereafter through the Control Date there will not be, any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating the Company or any of its Subsidiaries to issue, transfer or sell any shares of capital stock of the Company or any of its subsidiaries or any other securities convertible into or evidencing the right to subscribe for any such shares. All issued and outstanding Shares are duly authorized and validly issued, fully paid, non-assessable and free of preemptive rights with respect thereto.

Section 5.03. Authority. The Company has full corporate power and authority to execute and deliver this Agreement and, subject to the approval of its stockholders, if required, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the Board, and other than the approval by its stockholders, if required, no other corporate proceedings are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes a legal, valid and binding agreement of the other parties hereto, it constitutes a legal, valid and binding agreement of the Company, enforceable against it in accordance with its terms.

Section 5.04. No Violations; Consents and Approvals. (a) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by the Company with any of the provisions hereof will (i) violate any provision of its certificate of incorporation or by-laws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, consolidation or change in control or ownership, under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture or other instrument of indebtedness for money borrowed to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries or any of their respective properties is bound, or (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, consolidation or change in control or ownership, under, any of the terms, conditions or

provisions of any license, franchise, permit or agreement to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries or any of their respective properties is bound, or (iv) violate any statute, rule, regulation, order or decree of any public body or authority by which the Company or any of its subsidiaries or any of their respective properties is bound, excluding from the foregoing clauses (ii), (iii) and (iv) violations, breaches, defaults or rights under the laws of any jurisdiction outside the United States or which, either individually or in the aggregate, would not have a Company Material Adverse Effect or materially impair the Company's ability to consummate the transactions contemplated hereby or for which the Company has received or, prior to the consummation of the Offer, shall have received appropriate consents or waivers.

(b) No filing or registration with, notification to, or authorization, consent or approval of, any governmental entity is required in connection with the execution and delivery of this Agreement by the Company, or the consummation by the Company of the transactions contemplated hereby, except (i) expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) in connection, or in compliance, with the provisions of the Exchange Act, (iii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iv) such filings and consents as may be required under any environmental law pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, (v) filing with, and approval of, the New York Stock Exchange, Inc. and the SEC with respect to the delisting and deregistration of the Shares, (vi) such consents, approvals, orders, authorizations, notifications, registrations, declarations and filings as may be required under the corporation, takeover or blue sky laws of various states or non-U.S. change-in-control laws or regulations and (vii) such other consents, approvals, orders, authorizations, notifications, registrations, declarations and filings not obtained or made prior to the consummation of the Offer the failure of which to be obtained or made would not, individually or in the aggregate, have a Company Material Adverse Effect, or materially impair the Company's ability to perform its material obligations hereunder or prevent the consummation of any of the transactions contemplated hereby.

Section 5.05. SEC Documents; Financial Statements. (a) The Company has made available to Parent and the Purchaser copies of each registration statement, report, proxy statement, information statement or schedule filed with the SEC by the Company since January 1, 1993 (the "SEC Documents"). As of

their respective dates, the Company's SEC Documents complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended, and the Exchange Act, as the case may be, and none of such SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) As of their respective dates, the consolidated financial statements of the Company included in the Company's Reports on Form 10-K and Reports on Form 10-Q included in the SEC Documents were prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented the Company's consolidated financial position and that of its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and statements of cash flows for the periods then ended (subject, in the case of unaudited statements, to the lack of footnotes thereto, to normal year-end audit adjustments and to any other adjustments described therein).

Section 5.06. Absence of Certain Changes; No Undisclosed Liabilities. (a) Since December 31, 1994, except as disclosed in the SEC Documents filed prior to the date hereof, the Company has not (i) incurred any liability, whether or not accrued, contingent or otherwise, or suffered any event or occurrence (other than events or occurrences which relate to general economic conditions or conditions generally affecting the defense industry) which, individually or in the aggregate, would have a Company Material Adverse Effect or (ii) made any changes in accounting methods, principles or practices or (iii) declared, set aside or paid any dividend or other distribution with respect to its capital stock, other than regular quarterly cash dividends at a rate not exceeding $.375 per Share per quarter, payable on the Company's customary dividend payment dates. Since December 31, 1994 to the date of this Agreement, each of the Company and its subsidiaries has conducted its operations according to its ordinary course of business consistent with past practice.

(b) Except as and to the extent disclosed by the Company in the SEC Documents, as of December 31, 1994, neither the Company nor any of its subsidiaries had any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of the Company and its subsidiaries

(including the notes thereto) or which would have, individually or in the aggregate, a Company Material Adverse Effect.

Section 5.07. Litigation. Except as disclosed by the Company in the SEC documents, there is no suit, claim, action, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries or any of their respective properties or assets before any court or governmental entity with respect to which there is a reasonable likelihood of a determination which, individually or in the aggregate, would have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, neither the Company nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a Company Material Adverse Effect.

Section 5.08. Compliance with Applicable Law. Except as disclosed by the Company in the SEC Documents, the Company and its subsidiaries hold all permits, licenses, variances, exemptions, orders and approvals of all governmental entities necessary for the lawful conduct of their respective businesses (the "Company Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders and approvals which would not, individually or in the aggregate, have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, the Company and its subsidiaries are in compliance with the terms of the Company Permits, except where the failure so to comply would not have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, the businesses of the Company and its subsidiaries are not being conducted in violation of any law, ordinance or regulation of any governmental entity except for violations or possible violations which individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have a Company Material Adverse Effect. Except as disclosed by the Company in the SEC Documents, and except for the audit by the Internal Revenue Service of the Company's qualified benefit plans currently being conducted, no investigation or review by any governmental entity with respect to the Company or any of its subsidiaries is pending or, to the best knowledge of the Company, threatened nor, to the best knowledge of the Company, has any governmental entity indicated an intention to conduct the same, other than, in each case, those which the Company reasonably believes will not have a Company Material Adverse Effect.

Section 5.09. Taxes. Each of the Company and its subsidiaries has filed, or caused to be filed, all federal,

state, local and foreign income and other material tax returns required to be filed by it, has paid or withheld, or caused to be paid or withheld, all taxes of any nature whatsoever, with any related penalties, interest and liabilities (any of the foregoing being referred to herein as a "Tax"), that are shown on such tax returns as due and payable, or otherwise required to be paid, other than such Taxes as are being contested in good faith and for which adequate reserves have been established and other than where the failure to so file, pay or withhold would not have a Company Material Adverse Effect. There are no material claims or assessments pending against the Company or its subsidiaries for any alleged deficiency in any Tax, and the Company does not know of any threatened Tax claims or assessments against the Company or any of its subsidiaries which if upheld would have a Company Material Adverse Effect. None of the Company or any of its subsidiaries has made an election to be treated as a "consenting corporation" under Section 341(f) of the Internal Revenue Code of 1986, as amended (the "Code"). There is no material deferred inter-company gain within the meaning of the Treasury Regulations promulgated under Section 1502 of the Code. There are no waivers or extensions of any applicable statute of limitations to assess any material Taxes. Other than with respect to returns for the 1994 taxable year, there are no outstanding requests for any extension of time within which to file any material return or within which to pay any material Taxes shown to be due on any return.

Section 5.10. Certain Employee Plans. Each "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained by the Company or any of its subsidiaries (the "Plans") complies in all respects with all applicable requirements of ERISA (to the extent required to so comply) and the Code and other applicable laws, except where failure so to comply would not have a Company Material Adverse Effect. No "reportable event" (as such term is defined in ERISA) or termination has occurred with respect to any Plan under circumstances which present a risk of liability to any governmental entity or other person which would have a Company Material Adverse Effect. None of the Plans is a multiemployer plan, as such term is defined in ERISA. Neither the Company and its subsidiaries, nor any of their respective directors, officers, employees or agents has, with respect to any Plan, engaged in any "prohibited transaction", as such term is defined in Section 4975 of the Code or Section 406 of ERISA, nor has any Plan engaged in any such prohibited transaction which could reasonably be expected to result in any taxes or penalties or prohibited transactions under Section 4975 of the Code or under

Section 502(i) of ERISA, which in the aggregate could reasonably be expected to have a Company Material Adverse Effect. Copies of all of the Company's Plans covering United States employees of the Company and any related trusts and summary plan descriptions have been made available to the Purchaser. Except as specifically contemplated by this Agreement, or as provided in the SERP (as defined in Section 7.11), the Amended and Restated Indemnification Agreements between the Company and its directors and officers, the Option Plans or the EMASS Option Plan, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in, cause the accelerated vesting or delivery of, or increase the amount or value of, any payment or benefit to any employee or former employee of the Company or any of its subsidiaries.

Section 5.11. Rights Agreement. The Board has taken all necessary action (i) to provide that neither Parent nor the Purchaser will become an "Acquiring Person," that no "Triggering Event," "Stock Acquisition Date" or "Distribution Date" (as such terms are defined in the Rights Agreement) will occur and that Section 13 of the Rights Agreement will not be triggered, in each case as a result of the announcement, commencement or consummation of the Offer, the execution or delivery of this Agreement or any amendment hereto or the consummation of the transactions contemplated hereby and (ii) to redeem the Rights effective immediately prior to the Purchaser's acceptance of Shares for purchase pursuant to the Offer.

Section 5.12. Information. None of the Schedule 14D-9, the Proxy Statement, if any, or any other document filed or to be filed by or on behalf of the Company with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contained when filed or will, at the respective times filed with the SEC or other governmental entity and, in addition, in the case of the Proxy Statement, if any, at the date it or any amendment or supplement is mailed to stockholders and at the time of any Special Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that the foregoing shall not apply to information supplied by Parent or the Purchaser specifically for inclusion or incorporation by reference in any such document. The Schedule 14D-9 and the Proxy Statement, if any, will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. None of the information supplied by the Company specifically for inclusion or incorporation by reference in the Offer Documents or

in any other document filed or to be filed by or on behalf of Parent or the Purchaser with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 5.13. Delaware Section 203. The Board has taken all appropriate and necessary action such that the provisions of Section 203 of the DGCL will not apply to any of the transactions contemplated by this Agreement..

Section 5.14. Broker's Fees. Except for CS First Boston Corporation and Morgan Stanley & Co. Incorporated, neither the Company nor any of its subsidiaries or any of its directors or officers has incurred any liability not already paid and disclosed to Parent or will incur any liability for any broker's fees, commissions, or financial advisory or finder's fees in connection with any of the transactions contemplated by this Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PARENT AND THE PURCHASER

Parent and the Purchaser represent and warrant to the Company as follows:

Section 6.01. Organization. Each of Parent and the Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware and each of Parent and the Purchaser has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Purchaser is a wholly owned subsidiary of Parent.

Section 6.02. Authority. Each of Parent and the Purchaser has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the Board of Directors of each of Parent and the Purchaser and by Parent as the sole stockholder of the Purchaser and no other corporate proceedings are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This

Agreement has been duly and validly executed and delivered by each of Parent and the Purchaser and, assuming this Agreement constitutes a legal, valid and binding agreement of the Company, it constitutes a legal, valid and binding agreement of each of Parent and the Purchaser, enforceable against them in accordance with its terms.

Section 6.03. No Violations; Consents and Approvals. (a) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by Parent or the Purchaser with any of the provisions hereof will (i) violate any provision of their respective certificates of incorporation or by-laws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture or other instrument of indebtedness for money borrowed to which Parent or the Purchaser is a party, or by which Parent or the Purchaser or any of their respective properties is bound, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default, or give rise to any right of termination, cancellation or acceleration or any right which becomes effective upon the occurrence of a merger, under, any of the terms, conditions or provisions of any license, franchise, permit or agreement to which Parent or the Purchaser is a party, or by which Parent or the Purchaser or any of their respective properties is bound, or (iv) violate any statute, rule, regulation, order or decree of any public body or authority by which Parent or the Purchaser or any of its respective properties is bound, excluding from the foregoing clauses (ii), (iii) and (iv) violations, breaches, defaults or rights which, either individually or in the aggregate, would not have a material adverse effect on Parent's or the Purchaser's ability to perform their respective obligations pursuant to this Agreement or consummate the Offer and the Merger (a "Parent Material Adverse Effect") or for which Parent or the Purchaser has received appropriate consents or waivers.

(b) No filing or registration with, notification to, or authorization, consent or approval of, any governmental entity is required by Parent or the Purchaser in connection with the execution and delivery of this Agreement, or the consummation by Parent or the Purchaser of the transactions contemplated hereby, except (i) expiration of the waiting period under the HSR Act, (ii) in connection, or in compliance, with the provisions of the Exchange Act, (iii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iv)

such filings and consents as may be required under any environmental law pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, (v) such consents, approvals, orders, authorizations, notifications, approvals, registrations, declarations and filings as may be required under the corporation, takeover or blue sky laws of various states [or non-U.S. change-in-control laws or regulations] and (vi) such other consents, orders, authorizations, registrations, declarations and filings not obtained prior to the Effective Time the failure of which to be obtained or made would not, individually or in the aggregate, have a Parent Material Adverse Effect.

Section 6.04. Information. Neither the Offer Documents nor any other document filed or to be filed by or on behalf of Parent or the Purchaser with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contained when filed or will, at the respective times filed with the SEC or other governmental entity, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that the foregoing shall not apply to information supplied by the Company specifically for inclusion or incorporation by reference in any such document. The Offer Documents will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. None of the information supplied by Parent or the Purchaser specifically for inclusion or incorporation by reference in the Schedule 14D-9, the Proxy Statement, if any, or any other document filed or to be filed by or on behalf of the Company with the SEC or any other governmental entity in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 6.05. Broker's Fees. Except for Bear, Stearns & Co. Inc., neither Parent nor the Purchaser, nor any of their respective subsidiaries or directors or officers, has incurred or will incur any liability for any broker's fees, commissions, or financial advisory or finder's fees in connection with any of the transactions contemplated by this Agreement.

Section 6.06. Financing. Parent or the Purchaser will have at the time of acceptance for payment and purchase of Shares under the Offer and at the Effective Time, the funds necessary to consummate the Offer and the Merger and the transactions contemplated thereby and to pay related fees and expenses.

ARTICLE VII

COVENANTS

Section 7.01. Conduct of Business of the Company. Except as contemplated by this Agreement or as expressly agreed to in writing by Parent, during the period from the date of this Agreement to the Control Date, each of the Company and its subsidiaries will conduct its operations according to its ordinary course of business consistent with past practice, and will use commercially reasonable efforts to preserve intact its business organization, to keep available the services of its key employees and to maintain satisfactory relationships with suppliers, distributors, customers and others having material business relationships with it and will take no action not required by law which would materially adversely affect the ability of the parties to consummate the transactions contemplated by this Agreement or be materially inconsistent with such transactions. The Company shall make such notifications to the U.S. Department of Defense and certain other classified customers of the Company as the Company determines are necessary to comply with the foregoing covenant.

Section 7.02. Acquisitions and Divestitures. Prior to the Control Date, the Company shall keep Parent advised of the status of all discussions and negotiations concerning possible acquisitions and divestitures by the Company or any of its subsidiaries of any corporations or businesses, and the Company agrees that without the prior written consent of Parent it shall not make, or agree to make, any such acquisition or divestiture; provided that the foregoing restriction shall not apply to the transactions involving Asta and ATM previously disclosed by the Company to Parent. Other acquisition or disposition transactions will be determined by mutual agreement after consultation between the chief executive officers of Parent and the Company.

Section 7.03. No Solicitation. (a) The Company agrees that, prior to the Effective Time, it shall not, and shall not authorize or permit any of its subsidiaries or any of its or its subsidiaries' directors, officers, employees, agents

or representatives, directly or indirectly, to solicit, initiate, facilitate or encourage (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving the Company or its subsidiaries or acquisition of all or substantially all of the assets or capital stock of the Company and its subsidiaries taken as a whole (an "Acquisition Transaction") or negotiate, explore or otherwise engage in substantive discussions with any person (other than Parent, the Purchaser or their respective directors, officers, employees, agents and representatives) with respect to any Acquisition Transaction or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to consummate the Merger or any other transactions contemplated by this Agreement; provided that the Company may, in response to an unsolicited written proposal with respect to an Acquisition Transaction from a third party, furnish information to, and negotiate, explore or otherwise engage in substantive discussions with such third party, and enter into any such agreement, arrangement or understanding, in each case only if the Board determines in good faith by a majority vote, after consultation with its financial advisors and outside legal counsel of the Company, that failing to take such action would create a reasonable possibility of a breach of the fiduciary duties of the Board in connection with seeking an Acquisition Transaction that is more favorable to the stockholders of the Company than the Offer and the Merger.

(b) The Company shall immediately advise Parent in writing of the receipt of any inquiries or proposals relating to an Acquisition Transaction and any actions taken pursuant to Section 7.03(a), unless the Board determines in good faith by a majority vote, after consultation with its outside legal counsel, that taking such action would create a reasonable possibility of a breach of the fiduciary duties of the Board in connection with seeking an Acquisition Transaction that is more favorable to the stockholders of the Company than the Offer and the Merger.

Section 7.04. Access to Information. From the date of this Agreement until the Effective Time, and subject to any access, disclosure, copying or other limitations imposed by applicable law or the terms of any of the Company's or its subsidiaries' classified contracts (including any such contracts or arrangements with the U.S. or foreign governments), the Company will give Parent and its authorized representatives (including counsel, environmental and other consultants, accountants and auditors) access during normal business hours upon reasonable prior notice to all facilities, personnel and operations and to all books and records of the Company and its

subsidiaries, will permit Parent to make such inspections as it may reasonably require and will cause its officers and those of its subsidiaries to furnish Parent with such financial and operating data and other information with respect to its business and properties as Parent may from time to time reasonably request. Parent agrees that any information furnished to it, its subsidiaries or its authorized representatives pursuant to this Section 7.04 will be subject to the provisions of the letter agreement dated January 23, 1995 between Parent and the Company (the "Confidentiality Agreement").

Section 7.05. Reasonable Best Efforts; Other Actions. Subject to the terms and conditions herein provided and applicable law, each of the Company, Parent and the Purchaser shall use its reasonable best efforts promptly to take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or appropriate under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, using such reasonable best efforts to (i) obtain all necessary consents, approvals or waivers under its material contracts and (ii) lift any legal bar to the Merger; provided, however, that the foregoing shall not require Parent, the Purchaser or any other affiliate of Parent to agree to any action or restriction which, if imposed by a governmental entity, would constitute a condition described in paragraph (a) of Annex I to this Agreement.

Section 7.06. Public Announcements. Before issuing any press release or otherwise making any public statements with respect to this Agreement, the Offer or the Merger, Parent, the Purchaser and the Company will consult with each other as to its form and substance and shall not issue any such press release or make any such public statement prior to such consultation, except in either case as may be required by law or any obligations pursuant to any listing agreement with any national securities exchange.

Section 7.07. Notification of Certain Matters. Each of the Company and Parent shall give prompt notice to the other party of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause either (A) any representation or warranty of any party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the acceptance for payment of Shares pursuant to the Offer, (B) any condition set forth in Annex I to be unsatisfied in any material respect at any time from the date hereof to the date the Purchaser purchases Shares pursuant to the Offer or (C) any condition set forth in Article VIII hereof to be unsatisfied in

any material respect at any time from the date hereof to the Effective Time, and (ii) any material failure of the Company or Parent, as the case may be, or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 7.07 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 7.08. Indemnification. (a) From and after the Effective Time, Parent shall, and shall cause the Surviving Corporation to, indemnify, defend and hold harmless the present and former officers, directors, employees and agents of the Company and its subsidiaries (the "Indemnified Parties") against all losses, claims, damages, expenses or liabilities arising out of or related to actions or omissions or alleged actions or omissions occurring at or prior to the Effective Time (i) to the full extent permitted by Delaware law or, if the protections afforded thereby to an Indemnified Person are greater, (ii) to the same extent and on the same terms and conditions (including with respect to advancement of expenses) provided for in the Company's Certificate of Incorporation and By-Laws and agreements in effect at the date hereof (to the extent consistent with applicable law), which provisions will survive the Merger and continue in full force and effect after the Effective Time. Without limiting the foregoing, (i) Parent shall, and shall cause the Surviving Corporation to, periodically advance expenses (including attorney's fees) as incurred by an Indemnified Person with respect to the foregoing to the full extent permitted under applicable law, and (ii) any determination required to be made with respect to whether an Indemnified Party shall be entitled to indemnification shall, if requested by such Indemnified Party, be made by independent legal counsel selected by the Surviving Corporation and reasonably satisfactory to such Indemnified Party.

(b) For a period of six years after the Effective Time, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by the Company (provided that Parent may substitute therefor policies with reputable and financially sound carriers of at least the same coverage and amounts containing terms and conditions which are no less advantageous) with respect to claims arising from or related to facts or events which occurred at or before the Effective Time; provided, however, that Parent shall not be obligated to make annual premium payments for such insurance to the extent such premiums exceed 250% of the annual premiums paid as of the date hereof by the Company for such insurance (the "Maximum Amount"). If the amount of

the annual premiums necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, Parent and the Surviving Corporation shall maintain the most advantageous policies of directors' and officers' insurance obtainable for an annual premium equal to the Maximum Amount.

(c) The provisions of this Section 7.08 are intended to be for the benefit of, and shall be enforceable by each Indemnified Party, his or her heirs and his or her representatives.

Section 7.09. Expenses. Except as set forth in Section 9.05(b) hereof, Parent and the Company shall bear their respective expenses incurred in connection with this Agreement, the Offer and the Merger, including, without limitation, the preparation, execution and performance of this Agreement and the transactions contemplated hereby, and all fees and expenses of investment bankers, finders, brokers, agents, representatives, counsel and accountants.

Section 7.10. Rights Agreement. Except as contemplated by Section 5.11 hereof, the Company shall not redeem the Rights or amend or terminate the Rights Agreement prior to the consummation of the Offer unless (i) required to do so by order of a court of competent jurisdiction (ii) the Board determines in good faith by a majority vote that the failure to make such redemption, amendment or termination would create a reasonable possibility of a breach of the Board's fiduciary duties under applicable law or (iii) this Agreement has theretofore been terminated.

Section 7.11. Employee Benefits. (a) Following the consummation of the Offer, (i) Purchaser shall cause the Company to honor in accordance with their terms the employment contracts and other arrangements set forth on Schedule 7.11, the Company's Executive Supplemental Retirement Plan ("SERP"), the Trust Agreement between the Company and Society National Bank dated as of May 19, 1994, and the Trust Agreement between the Company and AmeriTrust Company National Association dated as of June 23, 1987, as amended, in each case as in effect on the date hereof and as amended as contemplated by this Agreement, and (ii) Parent shall unconditionally guarantee the prompt payment when due of all amounts payable pursuant to the terms of the aforementioned employment contracts and the SERP, including any costs incurred by employees or former employees (or their respective beneficiaries) in enforcing their rights under such contracts or under the SERP. The provisions of the preceding sentence are intended to be for the benefit of, and shall be enforceable by, each of the employees and former employees (and their respective beneficiaries) who are parties to

such employment contracts or such other arrangements, who are participants in the SERP or such other arrangements, or who are beneficiaries under either of such Trust Agreements.

(b) Until the third anniversary of the Effective Time, Purchaser shall provide or cause the Company to provide to individuals who are employed by the Company or any of its subsidiaries employee benefits that are in the aggregate no less favorable than those provided to them as of the date hereof. Without limiting the generality of the foregoing, Parent agrees that, following the Effective Time, employees of the Surviving Corporation shall be eligible to participate in Parent's various compensation plans on a basis comparable to that of similarly situated employees of Parent and its subsidiaries.

(c) Before the consummation of the Offer, the Company shall take all steps necessary to ensure that none of the transactions contemplated by this Agreement shall constitute or result in a "Change of Control" as defined in the Company's Salaried Employees Retirement Plan and HRB Systems, Inc. Salaried Employees Retirement Plan.

(d) Parent and Purchaser agree that prior to the consummation of the Offer, the Board (and following consummation of the Offer and prior to the Effective Time, a majority of the Continuing Directors) may (i) amend the ESOP to provide for full vesting of all account balances and allocations of all unallocated shares, or the proceeds thereof, as of the Effective Time, and to make other technical or administrative amendments related thereto, (ii) terminate the ESOP as of the Effective Time and provide for the orderly liquidation of the assets thereof or, with the consent of Purchaser (which consent shall not be unreasonably withheld), merge the ESOP with and into another tax-qualified plan, (iii) amend the Company's Employee Savings Plan to increase, as of the Effective Time, the Company's contributions thereunder to reflect any cessation of ESOP contributions (net of contributions for the benefit of employees of the Surviving Corporation under Parent's employee stock ownership plan ("Parent's ESOP"), as described in the succeeding sentence), (iv) authorize amendments to the employment contract with the Company's Chairman and Chief Executive Officer to provide that such individual shall serve as Chief Executive Officer of the Surviving Corporation following the Effective Time and (unless he earlier resigns) for a period of 3 years thereafter. Parent and the Purchaser agree that if contributions to the ESOP cease on or after the Effective Time, then as of the date of such cessation, the employees of t Surviving Corporation and its subsidiaries who would oth have been eligible to receive allocations under the ESOP

be eligible to participate in Parent's ESOP as of the date of such cessation. For purposes of the preceding sentence, all service with the Company and its subsidiaries shall be recognized for eligibility and vesting purposes.

(e) Parent recognizes that the Company's business presents special situations with respect to the retention and recruitment of employees and executives and Parent agrees that the Chief Executive Officer of the Company may from time to time propose special arrangements for such employees and executives for consideration by Parent. Parent also recognizes that there are approximately 20 key executives of the Company who, in accordance with the usual procedures of the Compensation Committee of Parent, will receive appropriate consideration in connection with the grant of stock options by Parent at the customary time in July 1995.

Section 7.12. Board Representation. At the Effective Time or as soon as practicable thereafter, Parent shall use its best efforts and take all reasonable steps to cause A. Lowell Lawson to be appointed as a director of Parent for a term ending at the 1998 annual meeting of stockholders of Parent.

Section 7.13. Maintenance of the Company's Headquarters and Separate Identity. It is Parent's and the Purchaser's present intent to operate the Company as a subsidiary of Parent under the Company's current name, with the same management and organizational structure and in its current headquarters in Dallas, Texas.

Section 7.14. EMASS. Parent and the Purchaser acknowledge that they have been informed of the Company's business plan for EMASS and that they are aware of the Company's commitment to implement that plan so long as it represents sound business judgment. Although Parent does not currently have sufficient information to commit to a specific course of action, Parent and the Purchaser currently plan to pursue and implement, within the same time frames and upon the same terms and conditions, that portion of such business plan that contemplates a public offering, spin-off or similar transaction with respect to the capital stock of EMASS so long as the management of the Purchaser and Parent concur with the management of the Company that plan implementation represents the exercise of sound business judgment.

ARTICLE VIII

CONDITIONS TO THE OBLIGATIONS OF PARENT, THE PURCHASER AND THE COMPANY

The respective obligations of each party to effect the Merger shall be subject to the satisfaction or, if permissible, waiver at or prior to the Effective Time of each of the following conditions:

Section 8.01. Purchase of Shares. The Purchaser shall have accepted for payment and paid for Shares pursuant to the Offer in accordance with the terms thereof; provided that this condition shall be deemed to have been satisfied with respect to the obligation of Parent and the Purchaser to effect the Merger if the Purchaser fails to accept for payment or pay for Shares pursuant to the Offer in violation of the terms of the Offer or of this Agreement.

Section 8.02. Stockholder Approval. The vote of the stockholders of the Company necessary to consummate the transactions contemplated by this Agreement shall have been obtained, if required by applicable law.

Section 8.03. No Legal Impediments. No statute, rule, regulation, judgment, writ, decree, order or injunction shall have been promulgated, enacted, entered or enforced, and no other action shall have been taken, by any domestic, foreign or supranational government or governmental, administrative or regulatory authority or agency of competent jurisdiction or by any court or tribunal of competent jurisdiction, domestic, foreign or supranational, that in any of the foregoing cases has the effect of making illegal or directly or indirectly restraining, prohibiting or restricting the consummation of the Merger.

ARTICLE IX

TERMINATION AND ABANDONMENT

Section 9.01. Termination. This Agreement may be terminated (and the Merger contemplated hereby may be abandoned notwithstanding approval thereof by the stockholders of the Company) at any time prior to the Effective Time:

(a) by mutual written consent of the Boards of Directors of Parent and the Company;

(b) by either Parent or the Company if, without any material breach of such terminating party of its obligations under this Agreement, the purchase of Shares pursuant to the Offer shall not have occurred on or before September 30, 1995, which date may be extended by mutual written consent of the parties hereto;

(c) by Parent or the Company if the Offer expires or is terminated or withdrawn pursuant to its terms without any Shares being purchased thereunder; provided, however, that Parent may not terminate this Agreement pursuant to this Section 9.01(c) if Parent's or the Purchaser's termination of, or failure to accept for payment or pay for any Shares tendered pursuant to, the Offer does not follow the occurrence, or failure to occur, as the case may be, of any condition set forth in Annex I hereto or is otherwise in violation of the terms of the Offer or this Agreement;

(d) by either Parent or the Company if any court of competent jurisdiction in the United States or other governmental body in the United States shall have issued an order (other than a temporary restraining order), decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the purchase of Shares pursuant to the Offer or the Merger, and such order, decree, ruling or other action shall have become final and nonappealable; provided that the party seeking to terminate this Agreement shall have used its reasonable best efforts, subject to Section 7.05, to remove or lift such order, decree or ruling; or

(e) by the Company if the Offer has not been timely commenced in accordance with Section 1.01(a) hereof.

Section 9.02. Termination by Parent. This Agreement may be terminated and the Offer and the Merger may be abandoned by action of the Board of Directors of Parent, at any time prior to the purchase of Shares pursuant to the Offer, if (a) the Board shall withdraw, modify or change its recommendation or approval in respect of this Agreement or the Offer in a manner adverse to Parent, (b) the Board shall have recommended any proposal other than by Parent or the Purchaser in respect of an Acquisition Transaction or (c) any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent or the Purchaser or any of their respective subsidiaries or affiliates shall have become the beneficial owner of more than 20% of the outstanding Shares (either on a primary or a fully diluted basis).

Section 9.03. Termination by the Company. This Agreement may be terminated and the Merger may be abandoned by action of the Board, at any time prior to the Effective Time, (a) if there shall be a material breach of any of Parent's or the Purchaser's representations, warranties or covenants hereunder, which breach shall not be cured within ten days of notice thereof, or (b) to allow the Company to enter into an agreement in respect of an Acquisition Transaction which the Board has determined is more favorable to the Company and its stockholders than the transactions contemplated hereby (provided that the termination described in this clause (b) shall not be effective unless and until the Company shall have paid to Parent the fee described in Section 9.05(b) hereof).

Section 9.04. Procedure for Termination. In the event of termination and abandonment of the Merger and the Offer by Parent or the Merger by the Company pursuant to this Article IX, written notice thereof shall forthwith be given to the other.

Section 9.05. Effect of Termination. (a) In the event of termination of this Agreement pursuant to this Article IX, the Merger shall be deemed abandoned and this Agreement shall forthwith become void, without liability on the part of any party hereto except as provided in this Section 9.05 and Sections 1.02(c) and 7.09 and the last sentence of Section 7.04, except that nothing herein shall relieve any party from liability for any breach of this Agreement.

(b) If (i) Parent shall have terminated this Agreement pursuant to Section 9.02 hereof or (ii) the Company shall have terminated this Agreement pursuant to Section 9.03(b) hereof, then in either such case the Company shall promptly, but in no event later than two business days after the date of such termination or event, pay Parent a termination fee of $75,000,000 plus an amount, not in excess of $20,000,000, equal to Parent's actual and reasonably documented out-of-pocket expenses directly attributable to the negotiation and execution of this Agreement and the attempted financing and completion of the Offer and the Merger, which amount shall be payable in same day funds, provided, that no fee or expense reimbursement shall be paid pursuant to this Section 9.05(b) if Parent shall be in material breach of its obligations hereunder. In no event shall the Company be required to pay more than one termination fee and reimbursement of expenses pursuant to this Section 9.05(b).

ARTICLE X

DEFINITIONS

Section 10.01. Terms Defined in the Agreement. The following terms used herein shall have the meanings ascribed in the indicated sections.

Acquisition Transaction	7.03(a)
Agreement	Preamble
Board	Recitals
Certificate of Merger	2.02
Certificates	4.02(a)
Code	5.09
Company	Preamble
Company Material Adverse Effect	5.01
Company Permits	5.08
Company Preferred Stock	5.02
Constituent Corporations	Preamble
Continuing Directors	1.03(c)
Control Date	1.03(a)
Delaware Secretary of State	2.02
DGCL	Recitals
Dissenting Shares	4.01
Effective Time	2.02
EMASS	5.02
EMASS Option Plan	5.02
ERISA	5.10
Exchange Act	1.01(a)
HSR Act	5.04(b)
Merger	2.01(a)
Merger Price	3.01
Minimum Condition	Annex I
Offer	1.01(a)
Offer Documents	1.01(c)
Option Plans	3.02(a)
Options	3.02(a)
Parent	Preamble
Parent Material Adverse Effect	6.03(a)
Paying Agent	4.02(a)
person	11.09
Plans	5.10
Proxy Statement	3.03(a)(ii)
Purchaser	Preamble
Rights	1.01(a)
Rights Agreement	1.01(a)
Schedule 14D-9	1.02(b)
SEC	1.01(c)
SEC Documents	5.05(a)
Shares	1.01(a)

Significant Subsidiary	5.01
Special Meeting	3.03(a)(i)
subsidiary	11.09
Surviving Corporation	2.01(a)
Tax	5.09

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment and Modification. At any time prior to the Effective Time, subject to applicable law and the provisions of Section 1.03(c) hereof, this Agreement may be amended, modified or supplemented only by written agreement (referring specifically to this Agreement) of Parent, the Purchaser and the Company with respect to any of the terms contained herein; provided, however, that after any approval and adoption of this Agreement by the stockholders of the Company, no such amendment, modification or supplementation shall be made which reduces the Merger Price or the form of consideration therefor or which in any way materially adversely affects the rights of such stockholders, without the further approval of such stockholders.

Section 11.02. Waiver. At any time prior to the Effective Time, Parent and the Purchaser, on the one hand, and the Company, on the other hand, may (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive any inaccuracies in the representations and warranties of the other contained herein or in any documents delivered pursuant hereto and (iii) waive compliance by the other with any of the agreements or conditions contained herein which may legally be waived. Any such extension or waiver shall be valid only if set forth in an instrument in writing specifically referring to this Agreement and signed on behalf of such party.

Section 11.03. Survivability; Investigations. The respective representations and warranties of Parent, the Purchaser and the Company contained herein or in any certificates or other documents delivered prior to or as of the Effective Time (i) shall not be deemed waived or otherwise affected by any investigation made by any party hereto and (ii) shall not survive beyond the Effective Time. The covenants and agreements of the parties hereto (including the Surviving Corporation after the Merger) shall survive the Effective Time without limitation (except for those which, by their terms, contemplate a shorter survival period).

Section 11.04. Notices. All notices and other communications hereunder shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied, or one day after delivery to a courier for next-day delivery.

(a) if to the Company, to

E-Systems, Inc.
6250 LBJ Freeway
Dallas, Texas 75240
Telecopy: (214) 392-4890
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telecopy: (212) 735-2000
Attention: Peter A. Atkins, Esq.

(b) if to Parent or the Purchaser, to

Raytheon Company
141 Spring Street
Lexington, Massachusetts 02173
Telecopy: (617) 860-2924
Attention: Thomas D. Hyde, Vice President
and General Counsel

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telecopy: (212) 403-2000
Attention: Elliott V. Stein, Esq.

Section 11.05. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of

the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties. This Agreement, except for the provisions of Sections 1.03(d), 3.02(a), 7.08, 7.11(a) and 7.12 (which are intended to be for the benefit of the persons identified therein, and may be enforced by such persons), is not intended to confer any rights or remedies hereunder upon any other person except the parties hereto.

Section 11.06. Governing Law. This Agreement shall be governed by the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

Section 11.07. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 11.08. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect against a party hereto, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby and such invalidity, illegality or unenforceability shall only apply as to such party in the specific jurisdiction where such judgment shall be made.

Section 11.09. Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used in this Agreement, (i) the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof; and (ii) the term "subsidiary" of any specified corporation shall mean any corporation of which a majority of the outstanding securities having ordinary voting power to elect a majority of the board of directors are directly or indirectly owned by such specified corporation or any other person of which a majority of the equity interests therein are, directly or indirectly, owned by such specified corporation.

Section 11.10. Guarantee. Parent hereby guarantees the due performance by the Purchaser of all of the Purchaser's obligations (including obligations to cause the Company to take

or refrain from taking action) under this Agreement or incurred in connection with the Offer and the Merger.

Section 11.11. Post-Control Date Actions. Notwithstanding anything in this Agreement to the contrary, from and after the Control Date the Company shall not be deemed for purposes hereof to be in breach of this Agreement if such breach was caused by Parent in its capacity as the controlling stockholder of the Company or by action of the Board taken with the approval of a majority of Parent's designees thereto.

Section 11.12. Entire Agreement. This Agreement, including the schedules, annexes and exhibits hereto and the documents and instruments referred to herein and therein, together with the Confidentiality Agreement, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and supersedes all prior agreements and understandings between the parties with respect to such subject matter. There are no representations, promises, warranties, covenants, or undertakings in respect of such subject matter, other than those expressly set forth or referred to herein and therein.

IN WITNESS WHEREOF, Parent, the Purchaser and the Company have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

RAYTHEON COMPANY

By: David S Dwelley

Name: David S Dwelley
Title: Vice President

RTN ACQUISITION CORPORATION

By: [signature]

Name: HERBERT DEICHER
Title: TREASURER

E-SYSTEMS, INC.

By: _____

Name:
Title:

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
960196670 - 619629

AMENDMENT TO CERTIFICATE OF INCORPORATION
OF
E-SYSTEMS, INC.

E-Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is E-Systems, Inc. (the "Corporation"). The date of filing the Corporation's original Certificate of Incorporation with the Secretary of State of Delaware was December 28, 1964 under the title of LTV Electrosystems, Inc.

2. That ARTICLE ONE of the Corporation's Certificate of Incorporation is hereby amended as set forth below:

"ARTICLE ONE: The name of the corporation is Raytheon E-Systems, Inc."

3. This Amendment to the Certificate of Incorporation of E-Systems, Inc. was duly adopted by the sole stockholder of the Corporation by written consent dated July 3, 1996 in accordance with Section 242(b) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, E-Systems, Inc. has caused this Amendment to the Certificate of Incorporation to be signed by its Chairman and Chief Executive Officer on the 3rd day of July, 1996 who acknowledges that the facts stated herein are true.

E-Systems, Inc.

By: _____
A. Lowell Lawson
Chairman & Chief Executive Officer

ATTESTED:

_____
Michael C. Eberhardt
Secretary

SUBSCRIBED AND SWORN TO
before me this 3rd day of July 1996.

KATHY BROOK
Notary Public
STATE OF TEXAS
My Commission Expires 08-25-99

_____
Notary Public

My Commission Expires: 6-25-99

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:00 PM 12/20/2001
010658250 – 0472015

CERTIFICATE OF OWNERSHIP AND MERGER

OF

RAYTHEON E-SYSTEMS, INC.
(a Delaware corporation)

INTO

RAYTHEON COMPANY
(a Delaware corporation)

It is hereby certified that:

1. Raytheon Company (the "Company") is a business corporation of the State of Delaware.

2. The Company is the owner of all of the outstanding shares of the stock of Raytheon E-Systems, Inc., which is also a business corporation of the State of Delaware.

3. On December 19, 2001, the Board of Directors of the Company adopted the following resolutions to merge Raytheon E-Systems, Inc. into the Company:

VOTED: That the Agreement and Plan of Liquidation and Merger heretofore presented to the Board, merging Raytheon E-Systems, Inc. ("RESY") into the Company, be, and it hereby is, adopted and that all of the estate, property, rights, privileges, powers, and franchises of RESY be vested in and held and enjoyed by the Company as fully and entirely and without change or diminution as the same were before held and enjoyed by RESY in its name.

VOTED: That the Company assume all of the obligations of RESY.

VOTED: That the Company shall cause to be executed and filed and/or recorded the documents prescribed by the laws of the State of Delaware and by the laws of any other appropriate jurisdiction and will cause to be performed all necessary acts within the jurisdiction of organization of RESY and of the Company and in any other appropriate jurisdiction.

VOTED: That the effective time of the Certificate of Ownership and Merger setting forth a copy of these resolutions shall be 11:59 p.m. on December 31, 2001, or such other time as the officers of the Company shall deem appropriate, and that, insofar as the General Corporation Law of the State of Delaware shall govern the same, said time shall be the effective liquidation by merger time.

VOTED: That the officers of the Company be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of the Company, including on behalf of the Company as stockholder RESY, and under its corporate seal, if desired, attested by an appropriate officer, if desired, from time to time to execute, make oath to, acknowledge and deliver any and all such certificates and other instruments and papers, and to do or cause to be done any and all such other acts and things as may be shown by his, her or their judgment necessary or desirable in connection with the foregoing resolutions, such officer's execution and/or performance thereof to be conclusive evidence of such approval and of the authorization thereof by this Board of Directors, and all such actions taken to date by any of the aforesaid officers of the Company be, and they hereby are, ratified, affirmed and approved.

4. The effective time of this Certificate of Ownership and Merger shall be 11:59 p.m. on December 31, 2001.

Executed on December 19, 2001

RAYTHEON COMPANY

By: John W. Kapples /s/
John W. Kapples
Vice President and Secretary